



Tyne and Wear Integrated Transport Authority

Meeting to be held on Thursday 28 November 2013 at 10.00 am in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

(Labour Group pre-meeting at 9:00am) (Opposition Group pre-meeting at 9:30am)

Membership: Curran, Errington, M Green, S Green, Hobson, Hodson, Lambert, Lott, Maughan, McCarty, McElroy, Miller, Smith, Stone, D Wood (Chair) and P Wood

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This agenda is available at www.twita.gov.uk

AGENDA

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1. Apologies for absence

2. Declarations of Interest of Members or Officers in any matter to be discussed at the meeting

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer).

Please also remember to leave the meeting where any personal interest requires this.

If a member is unsure about the correct course of action in relation to their interest, they should contact the Democratic Services Officer prior to the meeting.

3. Minutes of the Previous Meeting

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ITEMS FOR DECISION

4. Petition in relation to the school bus service No. 112 to West Jesmond Primary School, Newcastle upon Tyne

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20.	Date and Time of the Next Meeting	
	Thursday, 23 January 2014 at 10.30am.	
21.	Exclusion of Press and Public	
	Exclusion of Press and Public under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied.	
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Tyne and Wear Integrated Transport Authority

26 September 2013
(10.00 am - 12.00 pm)

Present:

Councillor: D Wood (Chair)

Councillors: Curran, Errington, M Green, Hobson, Hodson, Lambert, Lott, Maughan, McCarty, McElroy, Miller, Smith, Stone and P Wood

In attendance:

Newcastle City Council:

P Ritchie - Clerk (ITA)
P Woods - Treasurer (ITA)
J Softly - Legal Adviser and Monitoring Officer (ITA)
E Goodman - Senior Accountant (ITA)
P Fenwick - New Tyne Crossing Project Director (ITA)
V Miller - Democratic Services Officer
R Forsyth - 7 Local Authorities' Transport Policy Officer

Nexus:

B Garner - Director General
T Hughes - Deputy Director General and Director of Customer Services
J Fenwick - Director of Finance and Resources
R Johnstone - Director Designate of Rail and Infrastructure

Urban Traffic Management and Control:

R King - Manager

Balfour Beatty Rail Limited:

S Bell - Project Director

4. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor S Green. The Chair, on behalf of the Authority, wished Councillor Green a quick recovery.

5. **DECLARATIONS OF INTEREST OF MEMBERS OR OFFICERS IN ANY MATTER TO BE DISCUSSED AT THE MEETING**

There were no declarations of interest.

6. **MINUTES OF THE PREVIOUS MEETING HELD ON 25 JULY 2013**

The minutes of the previous meeting held on 25 July 2013 were approved as a correct record and signed by the Chair.

Matters Arising

(a) RMT Union

(Introductory note refers)

B Garner provided a brief update on the status of the RMT Union campaign for a better pay for the employees of Churchill, a company that was contracted to clean Metro. He indicated that it was hoped that negotiations would soon resume and an update on their outcome would be provided for members for information.

(b) Minutes of the previous meeting – Matters Arising – Appointment of committees and working groups and their membership for the municipal year 2013/14; and appointment of representatives to serve on outside bodies for the municipal year 2013/14 – Scrutiny Advisory Group

(Minute 24 (a) refers)

RESOLVED – That Councillor Huddart, Liberal Democrats, Newcastle City Council, be appointed as Member of the Scrutiny Advisory Group.

(c) Local Transport Plan targets – update report

(Minute 28 refers)

A member referred to a recent announcement by the Government about proposals to withdraw or reduce requirements in relation to the local air quality management and commented that it was important to obtain more information on this, including its impact on the work of local authorities.

(d) 2013/14 Capital Programme – first quarterly review

(Minute 33 refers)

- B Garner informed members that in two to three weeks gates at Metro stations would become operational. A member reminded officers about the importance of having a system in place to help passengers to remember to scan in and out when using the Pop card on Metro.

In response to members' questions, B Garner confirmed that:

- Work was in progress to expand the Pop card's functionality to include stored value. This additional functionality was expected to become operational by the end of December this year.
- Negotiations were underway between Nexus and bus operators regarding the potential use of the Pop card on a pay-as-you-go basis on buses.

7. MINUTES OF THE SPECIAL MEETING HELD ON 26 JULY 2013

The minutes of the special meeting held on 26 July 2013 were approved as a correct record and signed by the Chair.

Matters Arising

(a) Bus Strategy Delivery Project – (a) Bus Strategy Project Update

(Minute 3 (a) refers)

On advice from B Garner, members agreed to receive information on Nexus' consideration of the role of taxis within the community transport system at a forthcoming Policy Seminar.

8. PETITION IN RELATION TO BUS SERVICE NO. 9

Submitted: A joint report of the Clerk and the Head of Democratic Services (previously circulated and copy attached to Official Minutes).

Members considered the report which informed them of the receipt of a petition from residents of East Howdon in relation to bus service 9 and recommended that the petition should be referred to Nexus for consideration and reporting back to the Authority.

RESOLVED – That;

- (i) the receipt of the petition be noted; and
- (ii) the petition be referred to Nexus for consideration and reporting back to the Authority.

9. REPORT ON THE FINANCIAL STATEMENT AUDIT FOR THE YEAR ENDED 31 MARCH 2013

Submitted: A report of Deloitte (previously circulated and copy attached to Official Minutes).

D Wilkinson introduced the external audit report for the year ended 31 March 2013. Members noted the overall satisfactory position, including in relation to significant audit risks, accounting and internal control systems and value for money. Members and the Treasurer thanked D Wilkinson and his team for their work.

RESOLVED – That the report be noted.

10. **ANNUAL REPORT AND ACCOUNTS 2012/13**

Submitted: A report of the Treasurer (previously circulated and copy attached to Official Minutes).

Members considered the Annual report and accounts for the financial year 2012/13. The report was introduced by P Woods and E Goodman.

P Woods was pleased to report the strong overall financial position of the Authority, including keeping within the budget and the good income achieved by the Tyne Tunnels.

It was noted that the Authority's Audit Committee had reviewed the report at its recent meeting held on 18 September 2013. Although the Committee had not raised any significant issues, a question had been asked about the Authority's monitoring mechanisms of TT2's governance, including its shareholding position. The Committee had been advised that it would be provided with a response.

P Woods clarified the position in relation to reserves, explaining that although the figure could be perceived as high, the level of useable unringfenced reserves was in the region of £2.5 million.

P Woods drew members' attention to the Authority's position in relation to its pension liabilities, including the different methods of calculation of the pension costs used by the Actuaries and the Tyne and Wear Pension Fund. The calculation method used by the Pension Fund was less strongly affected by the position of the global financial markets and was, therefore, more realistic. It was noted that officers were considering a possibility of using reserves to reduce the pension deficit and a report on this proposal would be prepared for a future meeting.

RESOLVED – That:

- (i) the letter of Representation, as at Appendix 1, be approved;
- (ii) the Treasurer be authorised to sign the letter of Representation on behalf of the Authority;
- (iii) the final ITA and Group Accounts for 2012/13, as at Appendix 2, be approved; and
- (iv) the Chair and the Treasurer be authorised to sign the ITA and Group Accounts.

11. **ANNUAL GOVERNANCE STATEMENT 2012/13**

Submitted: A report of the Treasurer (previously circulated and copy attached to Official Minutes).

Members considered the Annual Governance Statement for the year ended 2012/13, which set out the results of the annual review of the Authority's governance and internal control arrangements. The report was introduced by P Woods.

It was noted that the Authority's Audit Committee had reviewed the report at its recent meeting held on 18 September 2013. At that meeting the Committee had asked if there were mechanisms in place to monitor changes in the shareholding position of TT2, the concessionaire who were operating the Tyne Tunnels on behalf of the Authority. In response, it had been explained that whilst there was no routine monitoring, any issues in relation to the TT2 governance would normally be reported to the Authority's Tyne Tunnels Working Group and, if significant, to the Authority. A report outlining this response would be brought to a future meeting of the Audit Committee.

RESOLVED – That the Annual Governance Statement provided in Appendix 1 be approved as part of the Annual Report and Accounts 2012/13.

12. **DCLG CONSULTATION PAPER OF REVENUE GRANT SETTLEMENTS FOR 2014/15 AND 2015/16**

Submitted:

- (i) A report of the Treasurer (previously circulated and copy attached to Official Minutes);
and
- (ii) A note from the Treasurer with an update on the figures presented in paragraph 3.1 (with the permission of the Chair, due to timetables involved, circulated at the meeting and copy attached to Official Minutes).

Members considered the report which provided an update on the impact of a consultation paper from the Department for Communities and Local Government on the Revenue Grant Settlements for 2014/15 and 2015/16 that proposed a higher than expected cut in core grant funding.

The report was introduced by P Woods. He highlighted the risks associated with the provision of the statutory concessionary travel schemes in the light of the scale of the proposed cuts and also the importance of responding to the Government and expressing concerns.

Members noted the correct position in relation to the budgeted spending on concessionary travel and bus support as set out in the note that was circulated at the meeting. Information set out in the note had replaced the information provided in section 3.1 of the report.

During the ensuing discussion the following additional points were raised:

- The Chair commented that the Government was unwilling to accept data on actual boardings in Tyne and Wear.
- The Chair expressed concern that Transport for London was potentially subsidised by the UK taxpayer.

- A member asked whether consideration had been given to assessing the position beyond 2015 in relation to funding for concessionary travel. In response, it was noted that whilst there was a financial model that looked at the general position up to 2017/18, there had been no specific assessment undertaken on funding for the concessionary travel scheme beyond 2015. P Woods reiterated that, assuming the likelihood of further cuts, at this point in time it was important to respond to the Government and seek options to alleviate financial pressures.

RESOLVED – That:

- (i) the report be noted;
- (ii) the draft response be agreed;
- (iii) the draft response be completed by the Treasurer of the ITA in consultation with the Chair; and
- (iv) the Chair be authorised to write to the LGA Transport Committee and the Parliamentary Transport Committee to highlight concerns about the ability of councils to meet their statutory responsibilities with the reduction in funding that was proposed.

13. DISCRETIONARY CT SCHEMES: UPDATE

Submitted: A report of the Director General of Nexus (previously circulated and copy attached to Official Minutes).

Members considered the report which highlighted the current developments in relation to the TaxiCard and Companion Card, the discretionary concessionary travel schemes. The report was introduced by J Fenwick.

During the ensuing discussion, the following points were raised:

- A member suggested that members needed more information about the TaxiCard scheme, including how it operated and how it was assessed and monitored. It was agreed that this information would be provided at a future Policy Seminar.
- In welcoming the report and the savings that had been achieved in the contractual cost to Nexus for the operation of the TaxiCard scheme, a member asked how many participants had taken part in the scheme. It was agreed that this information would also be provided at a future Policy Seminar.
- In welcoming the savings achieved, a member commented that it was important to provide transport for the most vulnerable members of the public.
- In response to a member's question, it was confirmed that the TaxiCard scheme allowed travel to destinations in Durham and Northumberland. T Hughes briefly

outlined the method used for the subsidy allocation and also how the availability of taxis under the scheme was not constrained by the physical address of the taxi firm under contract.

RESOLVED – That:

- (i) the current operational improvements in the TaxiCard scheme be noted; and
- (ii) the Authority endorsed the expansion of the eligibility categories in the two discretionary schemes to reflect the introduction of Personal Independence Payments on the principle of maintaining equivalence so that there was as little change as possible for the schemes' participants and the schemes continued to meet the needs of those they were targeted at.

14. **REQUEST FOR FREE TRAVEL FOR SERVICE PERSONNEL**

Submitted: A report of the Director of Finance and Resources of Nexus (previously circulated and copy attached to Official Minutes).

Members considered the report which informed them of a request for free travel for military personnel in Newcastle and the options associated with that request. The report was introduced by B Garner.

During the ensuing discussion, the following points were raised:

- A member highlighted the importance of ensuring that the request for free travel for military personnel was carefully considered and not dismissed purely due to the lack of funding.
- A member welcomed the recommendations, as proposed in the report, and asked whether free travel was available to the staff of emergency services. In response, officers explained that only serving police officers could travel on production of their warrant card.
- The Chair submitted a comment on behalf of a member who could not attend the meeting and who had suggested that the Authority and the Network Ticketing Ltd (NTL) Board should pursue the possibility of providing a discounted travel for military personnel.

RESOLVED – That:

- (i) the request, along with Nexus's position that in the current financial climate it was not considered affordable to introduce free travel for military personnel in Newcastle at the present time, be noted; and

- (ii) the Director General of Nexus be instructed to request that the NTL Board gives consideration to developing a commercial discount product that would cover all operators.

15. REVENUE BUDGET MONITOR TO AUGUST 2013

Submitted: A report of the Treasurer (previously circulated and copy attached to Official Minutes).

Members considered the report which updated them on the revenue budget monitoring position for the period 1 April to 31 August 2013. The report was introduced by P Woods.

A member referred to the increase in the budget for the ITA support to enable additional work in relation to the transition to a Combined Authority and asked whether this allocation was used to pay for the staff time or the fees of consultants. In response, P Woods explained that this provision in the budget related mainly to staff time. He went on to explain that staff worked with partners in other local authorities and organisations, such as Nexus and Deloitte, to develop a transition plan that would cover a wide range of matters, including liabilities and contracts. It was possible that occasionally support would be needed from other external specialists but this would be kept to a minimum.

RESOLVED – That the report be noted.

16. TYNE PEDESTRIAN AND CYCLIST TUNNELS (TPCT) - PHASE 3 IMPROVEMENT WORKS UPDATE

Submitted: A report of the Project Director of the New Tyne Crossing (previously circulated and copy attached to Official Minutes).

Members considered the report which informed them of the progress achieved on the phase 3 improvements works to the Tyne Pedestrian and Cyclist Tunnels (TPCT). The report was introduced by P Fenwick.

RESOLVED – That the report be noted.

17. URBAN TRAFFIC MANAGEMENT AND CONTROL - PROGRESS AND FUNDING

Submitted: A report of the Joint Transport Steering Group (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the progress made on the creation of the Urban Traffic Management Control (UTMC) facility and sought members' approval of the continued funding of the UTMC facility through the Congestion Reduction Reward Fund. The report also sought members' approval of contract extensions for the current staff until March 2017. The report was introduced by P Woods and R King. As a point of correction, it was noted that the estimated surplus, as referred to in paragraph 4.3 of the report, should read "£41,000" and not "£68,000".

During the ensuing discussion, the following points were raised:

- A member queried the rise in the revenue costs for telecommunications for the UTMC centre, as in paragraph 4.2 of the report. In response, it was explained that the difference in the costs for 2014/15 and 2015/16 reflected the fact that by 2015/16 the additional resource that was made available for 2014/15 would be used up and no longer available.
- A member asked what safeguards would be put in place to ensure data protection. In response R King reassured members that the data protection issues had been addressed. He explained that the UTMC centre could not store or pass on any vehicle registration numbers.
- A member welcomed the proposals and their ambition to tackle congestion. A member suggested that the proposals should be publicised.
- On request from the Chair, R King confirmed that another visit to the UTMC centre would be organised for members in due course.

RESOLVED – That:

- (i) the progress made be noted;
- (ii) the continued funding of the UTMC facility through the Congestion Reduction Reward Fund be approved; and
- (iii) contract extensions for the current staff until March 2017 be approved.

18. **METRO MAJOR LINE CLOSURE - MODERNISATION WORKS UPDATE**

Submitted:

- (i) A report of the Director General of Nexus (previously circulated and copy attached to Official Minutes);
- (ii) A note with a pictorial representation of the works in August 2013 (with the Chair's permission, due to timetables involved, circulated at the meeting and copy attached to Official Minutes).

Members considered the report which provided an update on the modernisation work that had been carried out on the Metro system during August 2013. The report was introduced by B Garner and R Johnstone. During the consideration of the report, members also heard from S Bell of Balfour Beatty Rail Ltd. Members commented on the overall success of the programme and its importance for ensuring the longevity of Metro. The Chair, on behalf of the Authority, offered thanks to all who had been working on the Metro Asset Renewal programme to date.

RESOLVED – That the report be noted.

19. **BUS STRATEGY DELIVERY PROJECT UPDATE**

Submitted: A report of the Director General of Nexus (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the consultation activities and associated matters that were being progressed since the Authority's resolution in July 2013 to carry out a formal statutory consultation on the proposed Quality Contracts Scheme (QCS) for Tyne and Wear. The report was introduced by T Hughes.

During the ensuing discussion, the following points were raised:

- A member pointed out that the next ordinary meeting of the Authority after the consultation closing date was not until January 2014 and suggested that, given the importance of the Bus Strategy Delivery Project (BSDP), a special meeting on this matter should be held before the next ordinary meeting in January.
- A member indicated that there were differences in members' views on the best way forward in relation to the BSDP. A member asked for an update on the latest response from bus operators on their Voluntary Partnership Proposal. A member also asked for more detailed information on the nature and outcomes of the conversations that were being held with bus operators and other stakeholders. In response, it was explained that, as instructed by the Authority, Nexus had attempted to instigate a further dialogue with bus operators and a response was awaited. It was confirmed that Nexus would continue to provide updates for members, as required and within its remit. P Ritchie reported that conversations were being held at different levels; she explained the timetable of the forthcoming meetings with bus operators and the Chief Executives of the councils.
- The Chair asked for more information on the background of the QCS Board members. T Hughes confirmed that members would be provided with this information when appropriate.

RESOLVED – That the report be noted.

20. **LOCAL GROWTH DEALS, DEVELOPING STRATEGIC ECONOMIC PLANS**

Submitted: A report of the Clerk (previously circulated and copy attached to Official Minutes).

Members considered the report which informed them about the Local Growth Deal process and the details of the requirement on the Local Enterprise Partnerships to develop a strategic economic plan incorporating transport proposals. The report was introduced by P Ritchie.

RESOLVED – That the report, in particular the importance of ensuring that the existing financial commitments were protected in the context of how future funding for transport initiatives was allocated, be noted.

21. **DEVOLUTION OF LOCAL MAJOR SCHEMES - UPDATE**

Submitted: A report of the Clerk (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the agreed investment in local major schemes for delivery in the 2015-2019 period. The report was introduced by P Ritchie.

RESOLVED – That the report be noted.

22. **METRO STRATEGY UPDATE REPORT**

Submitted: A report of the Director General of Nexus (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the progress of the long-term Metro Strategy. The report was introduced by B Garner.

The following points were raised during the ensuing discussion:

- A member welcomed the report and the proposals to hold a workshop for members on the long-term Metro Strategy. A member also welcomed the inclusion of various corridors within Sunderland in the strategy.
- It was agreed that, amongst other topics, the forthcoming workshop would include a discussion on the proposed technologies for the potential Sunderland to Seaham and the South Shields to Doxford Park Metro corridors.
- The Chair referred to the shortlist of possible new corridors and indicated that consideration should be given to the inclusion of other areas, including those with growing economic opportunities such as the new enterprise zones and links to them. The Chair gave examples of areas such as Walker, Walkergate and North Tyneside. The Chair also suggested it was important to consider the inclusion of Durham and Northumberland, within the Combined Authority context.
- In response to a member's question, B Garner indicated that there was a pilot being developed in South Yorkshire on safe integration of light and heavy rail and, although it involved trams, it could be beneficial to monitor its progress. He went on to explain that in Tyne and Wear light rail and heavy rail were already shared at Pelaw.

RESOLVED – That the report be noted.

23. **DATE AND TIME OF THE NEXT MEETING**

Thursday, 28 November 2013 at 10am.

24. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED – That by virtue of section 100A and paragraph 3 of Schedule 12A of the Local Government Act 1972 press and public be excluded during the consideration of the following

items: Confidential Minutes of the Previous Meeting held on 25 July 2013, Direct Award Franchise for Northern and TransPennine Express and Combined Authority - Verbal Update, because exempt information was likely to be disclosed and the public interest against the disclosure had been satisfied.



DATE: 28 November 2013

SUBJECT: Petition in relation to the school bus service No. 112 to West Jesmond Primary School, Newcastle upon Tyne

REPORT OF: Clerk and Head of Democratic Services

PURPOSE OF REPORT

The purpose of this report is to inform members of the receipt of a petition regarding the school bus service No.112 in Newcastle upon Tyne and recommend that members refer the petition to Nexus for consideration and reporting back to the Authority and Newcastle City Council.

RECOMMENDATIONS

Members are recommended to note the receipt of the petition and refer it to Nexus for consideration and reporting back to the Authority and Newcastle City Council.

BACKGROUND DOCUMENTS

- (a) A petition to Newcastle City Council dated 31 October 2013 titled "112 School Bus: Fenham > West Jesmond Primary School".
- (b) The ITA Standing Orders

CONTACT OFFICERS

<i>Full name</i>	<i>Email address</i>	<i>Telephone number</i>
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IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral



1 Executive Summary

- 1.1 This report informs members of the receipt of a petition regarding the school bus service No.112 to West Jesmond Primary School in Newcastle upon Tyne and recommends that members refer the petition to Nexus for consideration and reporting back to the Authority and Newcastle City Council.

The petition is signed by 17 parents who request alteration of the newly introduced arrangements for the school bus service No. 112 by restoring the previous service.

The two front pages of the petition are attached in Appendix A to provide members with information about the contents of the petition. Members are also asked to note that, together with their signature, each parent provided a set of additional comments.

2 Background information

- 2.1 In accordance with the Standing Orders, all petitions addressed to the ITA shall be reported to the Authority at its next meeting.

- 2.2 On 13 November 2013 the Clerk received a petition regarding the school bus service No. 112 to West Jesmond Primary School in Newcastle upon Tyne. The petition was originally received by Newcastle City Council who on 6 November 2013 had resolved to refer it to the Tyne and Wear Integrated Transport Authority for consideration. The petition is signed by 17 parents who request alteration of the newly introduced arrangements for the school bus service No. 112 by restoring the previous service. The two front pages of the petition are attached in Appendix A. As mentioned above, members are also asked to note that, together with their signature, each parent provided a set of additional comments.

3 Proposals

- 3.1 Members are recommended to note the receipt of the petition and refer the petition to Nexus for consideration and reporting back to the Authority and Newcastle City Council.



4 Next steps

- 4.1 If members resolve to refer the petition to Nexus, the full petition would be passed on to Nexus and the organiser of the petition will be informed accordingly. Nexus will be requested to report back to the Authority and Newcastle City Council, and to respond to the organiser of the petition.

5 Potential impact on objectives

- 5.1 Neutral.

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PETITION TO NEWCASTLE CITY COUNCIL

The attached signatories request Newcastle City Council to seek to alter the newly-introduced arrangements for the following bus service by restoring the previous service:

The petition reads:

112 SCHOOL BUS: FENHAM > WEST JESMOND PRIMARY SCHOOL

The previous 112 and 113 services have merged to form one route; this now adds an extended trip through Jesmond, High Heaton and Gosforth, although it no longer includes Spital Tongues. The consequence of this has been to extend the journey from anywhere between 15 and 30 minutes.

Several concerns have been expressed by parents (and children) about the new route, and personal comments about the service have been included in the petition, but generally there are concerns about:

- The impact of the length of trip on younger children, especially when there is no toilet
- Older children complaining about being tired, bored and hungry and that their parents become worried when they arrive home later
- The effect on pre-arranged after-school activities, such as, swimming lessons
- The potential impact of winter weather, when it comes, on the time of the journey, in terms of traffic delays; the route was trialled at the start of summer. There have already been instances of congestion in residential streets which, as well as delaying the school bus, have been seen to irritate and, in some cases, anger other road users.
- The bus is now arriving at school at around 0840-45 and so denies the children playtime, fresh air and exercise before school starts.
- While the bus is still scheduled to stop at Gosforth/Montague, fewer passengers are taking the bus from there. Those who still do so have expressed concern about the length of the journey.

The wish is, therefore, a return to the route and service which was running previously and, which was to the satisfaction and convenience of the parents and children using it. Nigel Todd, local councillor for the Wingrove area, has offered his support, management at nexus have been contacted and are considering the matter and Mr Wallis-Clarke, Headteacher at West Jesmond has also been contacted.

Nick Clark
69 Sidney Grove
NE4 5PD
n9c@hotmail.co.uk

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112 SCHOOL BUS: FENHAM > WEST JESMOND PRIMARY SCHOOL

Dear parents of children who use the 112 school bus from Fenham to West Jesmond Primary school, I am writing to enquire about your opinions concerning the new bus route which has been running since the start of term and to ask whether you would be willing to sign a petition for a return to the previous route.

As I am sure you are aware, the previous 112 and 113 services have merged to form one route; this now adds an extended trip through Jesmond, High Heaton and Gosforth, although it no longer includes Spital Tongues. The consequence of this has been to extend the journey from anywhere between 15 and 30 minutes.

Several concerns have been expressed by parents (and children) about the new route:

- The impact of the length of trip on younger children, especially when there is no toilet
- Older children complaining about being tired, bored and hungry and that their parents become worried when they arrive home later
- The effect on pre-arranged after-school activities, such as, swimming lessons
- The potential impact of winter weather, when it comes, on the time of the journey, in terms of traffic delays; the route was trialled at the start of summer. There have already been instances of congestion in residential streets which, as well as delaying the school bus, have been seen to irritate and, in some cases, anger other road users.
- The bus is now arriving at school at around 0840-45 and so denies the children playtime, fresh air and exercise before school starts.
- While the bus is still scheduled to stop at Gosforth/Montague, fewer passengers are taking the bus from there. Those who still do so have expressed concern about the length of the journey.

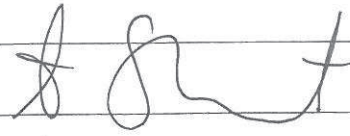
The wish, therefore, is a return to the route and service which was running previously and, which was to the satisfaction and convenience of the parents and children using it. Nigel Todd, local councillor for the Wingrove area, has offered his support, management at nexus have been contacted and are considering the matter and Mr Wallis-Clarke, Headteacher at West Jesmond has also been contacted.

If you are concerned or interested, would you write your name and postcode in the box below, and write down any opinions or concerns you have. You can return it through your child, if you do not use the bus. Add an email address, if you wish to be kept updated.

Yours sincerely

Nick Clark
Sidney Grove
NE4 5PD
n9c@hotmail.co.uk

2 children

NAME:	Amanda Stewart	SIGNATURE:	
POSTCODE:	NE4 9XL		

Comments: (continue on back of page, if needed)
 I agree with all of the above comments and would like to add that the alternative to taking the school bus is more costly and the metro to bus tickets are confusing. The information I have been given by Nexus/bus company staff conflicts with the new machines in the stations.

public transport

The other point I would like to make is regarding safety on the buses. I realise it is a public bus service but I feel strongly that the 112 bus should have compulsory seatbelts fitted.



DATE: 28 November 2013

SUBJECT: Petition, as organised by Stagecoach North East, against the proposed Quality Contract Scheme

REPORT OF: Clerk and Head of Democratic Services

PURPOSE OF REPORT

The purpose of this report is to inform members of the receipt of a petition that asks them to vote against the proposed Quality Contract Scheme (QCS). The petition is organised by Stagecoach North East. The report also recommends that members should request Nexus to prepare a response to the Authority and Stagecoach North East on the issues raised in the petition.

RECOMMENDATIONS

Members are recommended to note the receipt of the petition and request Nexus to prepare a response to the Authority and Stagecoach North East on the issues raised in the petition.

BACKGROUND DOCUMENTS

The ITA Standing Orders and a copy of the petition from Stagecoach North East that was submitted to the Chairman on 15 November 2013. The full petition is kept by Nexus.

CONTACT OFFICERS

<i>Full name</i>	<i>Email address</i>	<i>Telephone number</i>
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IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral



1 Executive Summary

- 1.1 This report informs members of the receipt of a petition that asks them to vote against the proposed QCS. The petition was organised by Stagecoach North East. The petition has 7036 signatories of which approximately 650-700 are employees of Stagecoach.

The leaflets that had been issued by Stagecoach to its employees and to members of the public as part of the petition are attached in Appendix A.

The report recommends that members should request Nexus to prepare a response to the Authority and Stagecoach North East on the issues raised in the petition.

2 Background information

- 2.1 In accordance with the Standing Orders, all petitions addressed to the ITA shall be reported to the Authority at its next meeting.

- 2.2 On 15 November 2013 Stagecoach North East presented the Chairman of the Authority with a petition requesting that the Authority should vote against the proposed QCS.

The petition has 7036 signatories of which approximately 650-700 are employees of Stagecoach. The full petition is held by Nexus. The leaflets that had been issued by Stagecoach as part of the petition are attached in Appendix A.

3 Proposals

- 3.1 Members are recommended to note the receipt of the petition and request Nexus to prepare a response to the Authority and Stagecoach North East on the issues raised in the petition.

4 Next steps

- 4.1 If members resolve to request Nexus to prepare a response on the issues raised in the petition, Nexus would be required to report back at a future meeting of the Authority and also respond to the organiser of the petition. Meanwhile, the organiser of the petition will be informed of the Authority's decision.

5 Potential impact on objectives

- 5.1 Neutral.

What transport experts say.....

Market analysis suggests that there are plenty of downward risks and not much upside in Tyne & Wear's attempt to avert commercial risk on buses. *Chris Clarke, Analyst, Aug 2013*

So in summary, Metro is suggesting that it takes a momentary step of faith to fill its interim deficit. That's one big gamble, Meaul! Marc Morgan, HWA, Transport, Compliance UK, Aug 2013

If I was a North East taxpayer I would be unimpressed with my elected politicians taking a gamble with my money in this way. *Route One Magazine, Sep 2013*

Key facts...

Tyne and Wear has one of the best and most used bus networks in the UK:

- It has the third-highest rate of bus use in the UK and higher than other big cities like Manchester.
- Bus passenger satisfaction is 87% - higher than in London.

The transport authority is spending money on the Metro at the expense of bus services:

- Only £10 million a year is directly invested in the bus network by the transport authority.
- In contrast, the Metro costs more than £80m a year to run.

Bus contracts are far more expensive:

- London's contracted bus network costs the taxpayer 10 times more to run per head of population compared to the current Tyne and Wear network.
- A London-style system in the North East would cost local people £90m a year - equivalent to £200 a year extra on your council tax bill.

BUS SHAKE-UP A 'TAX TIMEBOMB'



SOUTH Tyne-side tax-payers risk living with a financial "cuck-ing timebomb" if a bus shake-up gets the go-ahead, it has been

(Shields Gazette 2/9/2013)

Plans by the transport authority to change how buses are run will put services at risk and mean higher council tax for everyone.

What bus contracts plans really mean for you...even if you travel by car. See inside.

It's time to

Your choice - How do the two plans compare?

ITA CONTRACTS SCHEME	BUS OPERATORS' PARTNERSHIP PLAN
 Higher council tax bills for everyone, not just bus users	 Saves taxpayers money and saves local councils £300,000 in the first year alone
 Higher fares, with many people in Sunderland and South Shields paying around 20% more	 All customers benefit from the same or lower bus fares
 The ITA takes money from bus services to make up for loss-making Metro and Ferry services	 Stops politicians diverting funding away from bus services to try and cover a funding gap elsewhere
 Bus workers face cuts in their pensions	 Safeguards bus workers' pensions
 Taxpayers foot the bill for future investments in bus services	 Bus companies continue to take the financial risk and will continue to invest millions every year in bus services
 Takes years and costs £ millions of public money to implement	 Implemented in a matter of months with no extra cost to taxpayers
 Proposed to fill a huge hole in the ITA's budget	 Helps stop bus services being damaged by a transport authority that can't manage its budget
 Is NOT about improving bus services	 IS about improving bus services

Make your voice heard...

IT'S TIME TO BACK THE BUS

Sign the petition and find out more at www.backthebus.com

A great team...



...is stronger when it sticks together!
Have your say today...

I believe bus contracting would be bad for bus passengers, bus workers and taxpayers in Tyne and Wear. I want councillors on the Tyne and Wear Integrated Transport Authority to vote against the proposed Quality Contract Scheme and instead work in partnership with bus operators to improve local bus services.

Name:

Home address:

Depot:

Date:

Signature

BUS SHAKE-UP A 'TAX TIMEBOMB'

SOUTH Tyneside tax-payers risk living with a financial "ticking timebomb" if a bus shake-up gets the go-ahead it has been



(Sheilds Gazette 2/9/2013)

Bus contracts: the risk to your job and pension.

*What you need to know about
the plans by the Tyne and Wear
transport authority.*

Dear Colleague,

Tyne and Wear Integrated Transport Authority (ITA) is consulting on plans which would have serious consequences for the region's bus network. We want to make sure you know the consequences for you, your family, bus passengers and taxpayers in the North East. It is important you make your voice heard to protect your future and your local bus services.

You have helped make buses in Tyne and Wear among the best in Britain

- Bus use in Tyne and Wear is the third highest in the UK.
- Customer satisfaction is running at 87% - one of the best in the country and higher than in London and other major cities.

Stagecoach has improved services and protected jobs

- We have the lowest fares of any major bus operator in the country.
- Passengers in Tyne and Wear have benefitted from a £30 million investment in new greener buses in the past five years.
- We have protected jobs right through the recession and in our 20-year history in the North East, we have NEVER made any drivers redundant.
- And we have put forward detailed plans to work in partnership with the ITA and other operators to make bus services in Tyne and Wear even better, attracting more people on board, providing job security and saving taxpayers' money.

But transport planners continue to put the Metro before the bus network

- Around 75% of public transport journeys in Tyne and Wear are by bus, while 22% are by Metro.
- But four times as much is spent on the Metro than on public support for local bus services.
- Public funding for Metro is rising and bus funding is being cut.
- £580m of taxpayers' money is to be spent on new trains for Metro and covering its multi-million-pound losses. In contrast, bus network mileage supported by Nexus in Tyne and Wear shrank by 19% in 2011-12 compared with 2010-11.

Bus contracting would mean an even worse deal for buses

- It would put the brakes on investment in improvements.
- Fares for many people in Sunderland and South Shields would rocket by around 20%.
- Money which should help buses will go on more bail-outs for the Metro and the Shields ferry.
- Stretched finances mean council tax bills - including yours - would shoot up. A London-style contracting system would result in a £90million a year bill to local people in Tyne and Wear. Excluding transition, compensation and legal costs, that equates to an extra tax burden of nearly £700 on every household. Even motorists who never use buses would be forced to pay their share.
- You and other taxpayers would shoulder the risk of rising costs and future financial challenges affecting the network. It would mean more council tax increases, bus fares rises, network service cuts or a combination of all three.

YOUR JOB AND PENSION WOULD ALSO BE PUT AT RISK FROM BUS CONTRACTS

You will be given no choice about who you work for or where

- The proposed contracts do not fit with the existing depot ownership and capacity, which means many bus workers would be forced to move.
- It is impossible for all bus companies in Tyne and Wear to retain the same level of work as they do now, affecting job security for bus workers.
- Indeed there is no guarantee that any of the existing three major Tyne and Wear operators, including Stagecoach, would win any of the proposed contracts.

Your pension benefits are not protected and the value of your savings will drop

- Experts have calculated that the future value of the pension benefits you have already built up would be cut by up to 33%.
- It is not certain new employers will offer pensions with the same benefits you currently have.
- You may well have to work longer to have the same retirement benefits as now.

Even working conditions are not protected over the long term

- Employment law regulations (TUPE) only provide protection for bus workers on the day they transfer to a new company. It does not guarantee long-term stability.
- New entrants to the bus industry would likely get less favourable terms and conditions.

YOU CAN'T TRUST THE ITA TO PROTECT YOUR JOB OR YOUR FUTURE

But we are on your side and together we can stop these short-sighted plans

- The ITA plans are only proposals - and they have a duty to listen to your views.
- If enough people say no to bus contracts, we can stop the waste and damage.
- We will be making sure local people understand what is at stake and how there is a better way forward for buses. This will include the attached leaflet being sent to 211,000 households in Tyne and Wear.
- You and other people who care about local bus services and jobs can sign our petition.
- Don't leave it to others - go to www.backthebus.com, and say **NO** to bus contracts.
- Ask your friends and family to make their views heard too.
- You can also complete the form on the back of this letter and hand it into your depot supervisors.

Thank you for your support. Together we can Back the Bus.



Phil Medicott, Managing Director



DATE: 28 November 2013

SUBJECT: Revenue Budget Monitoring Report to October 2013

REPORT OF: ITA Treasurer

PURPOSE OF REPORT

The purpose of this report is to update members on the revenue budget monitoring position for the period 1 April 2013 to 31 October 2013. The monitor includes financial information relating to the budget for ITA administration and financing and the Tyne Tunnels, along with Treasury Management information on borrowing and lending.

The report also seeks approval from the Authority to use revenue reserves to repay some or all of the ITA's historic pension deficit. This will enable an annual saving to be achieved on the revenue budget which will exceed the interest income lost as a result of using the reserves in this way.

RECOMMENDATIONS

The ITA is recommended to:

- Note the position in relation to the revenue budget to the end of October 2013;
- Authorise the ITA Treasurer to take forward proposals for the repayment of the pension deficit, seeking agreement from Delegated Committee if detailed data is not available from the pension fund by the time of this meeting.

BACKGROUND DOCUMENTS

Held by the contact officer

CONTACT OFFICERS

Eleanor Goodman eleanor.goodman@twita.gov.uk 0191 277 7518

IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral



1 Executive Summary

- 1.1 This is the third revenue budget monitor which has been presented to the ITA for the 2013/14 financial year. It outlines actual expenditure to date against the revised budget, and projects the anticipated outturn to the year end.
- 1.2 Expenditure for the ITA and Tyne Tunnels is expected to be within budget at the year end. Explanations of any variances are included within the summary tables at Appendix 1 and 2.
- 1.3 This report also provides background on the ITA's pension liabilities and the proposal which has been developed to use reserves to repay some or all of the pension deficit, which will achieve an annual revenue saving. Detailed figures are awaited from the Tyne and Wear Pension Fund. It is hoped that these will be available for presentation by the time of the meeting.

2 Background information

- 2.1 This report is produced in accordance with Section 28 of the Local Government Act 2003, which requires authorities to monitor income and expenditure against their budget and be prepared to take appropriate action if overspends occur.
- 2.2 The budget monitor has been prepared by comparing the actual income and expenditure during the 2013/14 year to date against the budget for the period. Appendices 1 and 2 detail the recorded spending position as at 31 October 2013 and the projected outturn for the year against the budget agreed by the ITA in January 2013.
- 2.3 The Tyne and Wear ITA is a member of the Tyne and Wear Pension Fund, which is part of the Local Government Pension Scheme. Since the ITA has only one employee (the Tyne Tunnels Monitoring Officer), payments made by the ITA to the fund relate to former employees of the Authority. At 31 March 2013, the ITA had one active member, 26 deferred members and 93 current pensioners/dependents. The actual payments to pensioners are made by the fund, with the ITA making deficit recovery payments to the fund to cover any excess of liabilities over fund assets.
- 2.4 At the 2010 Triennial valuation (results of which were released in March 2011) the ITA adopted a recovery period of 16.8 years as agreed with the pension fund and



agreed a schedule of deficit recovery payments as follows:

2011/12	2012/13	2013/14
882,000	928,750	977,970

- 2.5 Costs charged to the ITA levy funded budget relate to the liability for pre-1989 pension increases for those members who transferred to Stagecoach Travel Services (Busways). Pension liabilities in relation to service from this date onwards are with the bus company, but the ITA retains the liability for pre-1989 service costs.
- 2.6 Costs charged to the Tyne Tunnels trading account relate to former Tyne Tunnels employees who were employed by the ITA and have since retired. In addition, the ITA retains a contingent liability for any pre-2008 deficit that might arise in relation to Tyne Tunnels' employees who transferred to TT2 Ltd; however since this was a funded transfer there is currently no payment to make in relation to these pension liabilities.

3 ITA and Tyne Tunnels Revenue Budget

- 3.1 For the ITA, gross expenditure at £41.743m is 59% of the revised budget for the year. This is in line with anticipated expenditure profiles and the outturn position is expected to be within budget. There have been no significant extra costs or cost pressures since the last report to the Authority.
- 3.2 2013/14 is the sixth full year of the contract with TT2 for the operation of the Tyne Tunnels. Payment to TT2 is based on a proportion of tolls income. For the period 1 April 2013 to 31 October 2013, the position is summarised in Appendix 2. The overall position on the Tyne Tunnels trading account is forecast to be within the budget agreed in January 2013.
- 3.3 All tolls income is collected by TT2 and paid to the ITA within 4 working days of being received. On 1 January 2013, a toll increase was implemented in line with the project plan, which resulted in an additional charge of 20p for cars (toll at £1.60) and 50p for HGVs (toll at £2.50). Despite this increase, there has been a sustained increase in traffic figures when compared to 2012/13, an average of over 7% for the year to date. It is believed that some of this additional traffic has been due to roadworks on the A1, however since those works were completed in mid-August some of the increase appears to have been retained.



- 3.4 Spend against the TT2 contract payments budget line appears low on Appendix 2. This is due to the timing of when the invoices are due under the project agreement – 30 working days following the month end. Therefore the expenditure to date figure disclosed in Appendix 2 only includes the April to August usage payments, with payments for September and October falling into November and December respectively. Overall, contract payments to TT2 are projected to be in line with the budget at the year end.

5 Treasury Management Update

- 5.1 The Authorised Borrowing Limit approved by the ITA for 2013/14 is £240m. The current level of external borrowing as at 31 October 2013 is £203m. This is well within the limits agreed by the ITA, and has been throughout the year to date. This includes the money that the ITA has borrowed to fund capital works on the New Tyne Crossing, which are fully funded through tolls and have no impact on the levy. The average interest rate payable on the ITA's loans this year is estimated at 4.25%.
- 5.2 The ITA currently holds £28m of investments on behalf of Nexus, which are placed with external institutions. At 31 October 2013, the ITA's own balances were invested with Newcastle City Council.
- 5.3 A detailed mid-year update on Treasury Management activity is elsewhere on this agenda.

6 Pension Deficit Reduction Proposals

- 6.1 The ITA holds cash reserves, both those ringfenced to the Tyne Tunnels (approx. £40m) and the unearmarked ITA General Fund (approx. £2.5m). Due to market conditions, these balances are currently attracting a very low level of interest. A proposal has been developed to use these reserves to repay the ITA's pension deficit, which would give a corresponding annual saving on the revenue budget for the ITA and the Tyne Tunnels that will be in excess of the lost investment income.
- 6.2 This approach would also minimise the level of historic liabilities being transferred to the proposed Combined Authority from 1 April 2014.



7 Next Steps

- 7.1 The revenue budget will be monitored closely and reported to the Authority throughout the financial year.
- 7.2 The results of the 2013 triennial actuarial valuation are expected from the Tyne and Wear Pension Fund at the end of November 2013.
- 7.3 The ITA Treasurer will continue to work with the pension fund to analyse the results of the valuation and establish the best time to make any repayment. This will be agreed with Delegated Committee if the detailed figures are not available by the time of the meeting.

8 Potential impact on objectives

- 8.1 There is no impact on the ITA's objectives as a result of this report.

	2013/14 Revised Budget	Spend to 31/10/13	Projection for the year	Spend as a % of Revised Budget	Traffic Light	Notes on significant variances
Revenue Expenditure	£000	£000	£000	%		
Members' Allowances	86	23	86	26%	G	Awaiting invoices from Districts for recharge of allowances
Travel and Conferences	4	2	4	50%	G	
Supplies & Services	28	2	28	7%	G	Charges for e.g. accommodation hire processed later in year, will be within budget based on current usage
Support Services	311	92	311	30%	G	Revised budget includes underspend carried forward from 2012/13 – additional support on Combined Authority work
ITA Website Charges	20	0	20	0%	G	Will be charged later in year, expected to be within budget
Pension Costs	479	280	479	58%	G	
LGA Subscription	29	29	29	100%	G	One-off payment for annual subscription
External Audit Fee	20	0	20	0%		Fee to be invoiced following completion of 2013/14 audit work
Financing Charges	2,475	1,444	2,475	58%	G	Indicative position – charges calculated at year end
Grant to Nexus	64,922	37,871	64,922	58%	G	
Contribution to Districts from Reserves	2,000	2,000	2,000	100%	G	Paid as lump sum June 2013
Total	70,374	30,399	70,374			
Revenue Income						
Levy Income	(70,207)	(40,954)	(70,207)	58%	G	
Interest on Balances	(20)	0	(20)	0%	G	Calculated at year end based on average balances
Total	(70,227)	(29,253)	(70,227)			
Contribution from Reserves	147	789	147		G	Overall status green - forecast to be within budget at year end.

Tyne Tunnels	2013/14 Revised Budget	Spend to 31/10/13	Projection for the year	Spend as a % of Original Budget	Traffic Light	Notes on significant variances
	£000	£000	£000	%		
TT2 Contract						
Toll Income	(23,600)	(12,975)	(23,600)	55%	G	Timing of contract payments – Apr to Sept included
Contract Payments to TT2	17,200	7,038	17,200	41%	G	
Total	(6,400)	(5,937)	(6,400)			
Other						
Employee Costs	35	20	35	57%	G	Includes support of T2K race
Other Expenses	50	13	50	25%	G	
Community Fund	10	7	10	70%	G	
Pension Costs	553	317	553	57%	G	Indicative position - charges calculated at year end Interest will be allocated at year end
New Tyne Crossing	140	57	140	41%	G	
Support Services						
Financing Charges	6,874	4,010	6,874	58%	G	Indicative position - charges calculated at year end Interest will be allocated at year end
Interest on Balances and Other income	(300)	0	(300)	0%	G	
Total	7,362	4,424	7,362			
Net (Surplus) / Deficit	962	(1,513)	962		G	Overall status green - forecast to be within budget at year end.

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DATE: 28 November 2013

SUBJECT: Treasury Management Mid-Year Review

REPORT OF: ITA Treasurer

PURPOSE OF REPORT

This report summarises treasury management activity in the first six months of 2013/14, and updates the prudential indicators agreed by the ITA in January 2013 in the light of the most up to date available information on capital expenditure and financing. The investment criteria and limits agreed by the ITA in March 2013 have also been amended in the light of external changes within the financial services sector, particularly in relation to the Co-operative Bank.

RECOMMENDATIONS

The ITA is asked to review the report and agree changes to the 2013/14 prudential indicators set out in section 6 and the amended investment criteria and limits set out in section 5.

BACKGROUND DOCUMENTS

Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice 2011

CONTACT OFFICERS

Eleanor Goodman eleanor.goodman@twita.gov.uk 0191 277 7518

IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral



1 Executive Summary

1.1 This report summarises treasury management activity for the first six months of 2013/14 and updates the prudential indicators agreed by the ITA in January 2013.

2 Background information

2.1 In line with the CIPFA Code of Practice on Treasury Management in the Public Services, the ITA is required to approve a treasury management strategy (including a range of prudential indicators) before the start of each financial year, and to monitor / report performance against these prudential indicators.

2.2 In addition, the ITA is required to review and, if appropriate, amend its treasury management strategy in the light of changing internal or external circumstances.

3 Borrowings update

3.1 External interest rates payable in the first six months of the 2013/14 financial year were in line with the level assumed in the treasury management strategy. There is a degree of certainty around interest rates payable since the majority of the ITA's borrowing is fixed rate and long term. No new borrowing has been required during the 2013/14 financial year to date.

3.2 The following table shows the movement between the opening and closing level of external loans:

All figures in £m	Actual	Authorised
Level of external loans as at 1 April 2013	204.226	240.000
New loans taken out in first six months of year	-	n/a
Loans repaid in first six months of year	(1.333)	n/a
Level of external loans as at 30 September 2013	202.893	n/a
Estimated net increase/(decrease) in external loans	(1.333)	n/a
Estimated level of external loans as at 31 March 2014	201.560	240.000



- 3.3 As can be seen from the above table, the overall level of borrowing has reduced slightly in the first six months of the year as repayments on EIP (equal instalment of principal) loans have been made. The current level of borrowing is well under the authorised limit for the year, as the ITA is using internal funds in place of external borrowing to fund its capital financing requirement.
- 3.4 Based on the current level of planned capital expenditure in 2013/14, no new external borrowing is anticipated, since the ITA can meet its projected capital financing requirement from its cash balances and reserves.
- 3.5 The following table shows the current debt maturity profile (i.e. the profile of when external loans need to be repaid):

Loans due to be repaid:	01/04/2013 (actual)	30/09/2013 (actual)	31/03/2014 (estimate)
In less than 1 year	2.26%	0.65%	3.58%
Between 1 to 2 years	3.50%	3.55%	1.81%
Between 2 to 5 years	1.77%	1.80%	11.66%
Between 5 and 10 years	11.40%	11.59%	2.12%
Between 10 and 15 years	3.03%	3.08%	0.99%
In more than 15 years	78.04%	79.33%	79.84%
TOTAL	100.00%	100.00%	100.00%

- 3.6 As can be seen from the above table, the level of short and medium term loans is low, with most of the ITA's borrowing being very long term. This means that the ITA has very limited exposure to short-term increases in interest rates. The current average rate on ITA borrowings is around 4.25%, which is a good rate given the long term maturity profile.

The ITA Treasurer will work with Treasury Management officers and advisers to consider whether savings could be generated by making early repayments of borrowing or refinancing some existing loans.



4 Investments update

- 4.1 Due to the expected continuation of relatively low interest rates, the ITA currently does not have any investments placed with external institutions. Its revenue reserves are held by Newcastle City Council, providing an extremely low risk rate of return to the authority.
- 4.2 The current projected rate of interest on revenue balances to be paid to the ITA is 0.8%, slightly lower than projected when the budget was set. This should be off-set by slightly lower interest charges as a result of the use of internal funds in place of external borrowing to fund the ITA’s capital financing requirement. As discussed elsewhere on this agenda, the ITA Treasurer is also considering alternative uses of the reserves, e.g. to pay down the pension deficit and achieve an annual saving in excess of the interest being received, or alternative investment options to generate a higher return.
- 4.3 The primary objective of the ITA’s investment strategy is to ensure the security of its funds and to achieve a reasonable rate of return commensurate with the level of security required. The ITA’s investments criteria have therefore been revised to reflect the reduction of the Co-operative Bank’s (being the bank for the ITA’s own bank account and the main NCC bank account) credit rating and are shown in the following table:

Type of institution	Financial limit	Time limit
UK central government (Debt Management Office)	Unlimited	Unlimited
UK banks with AAA, AA+, AA, AA-, A+ credit ratings	£25m each	1 year
UK banks with A and A- credit ratings	£15m each	1 year
UK local authorities	£5m each	3 years (increased from 1 year)
UK building societies whose lowest published long-term credit rating is	£5m each	1 year



BB <u>and</u> societies without credit ratings with assets greater than £250m		
The ITA's current account bank (Co-operative Bank plc)	See note 1	See note 1

Note 1: Following the downgrading of the Co-operative's rating, the ITA will aim to clear its current accounts with the Co-operative Bank to nil at the close of each day. In practice some income may be received after this cut-off point, and this will be invested with the Co-operative Bank overnight and then invested with another third party the following day. The previous limit was £25m.

The Co-operative Bank has now stated its intention to withdraw from providing banking services to local authorities. As a result, the ITA will seek a new banking provider through a procurement process in conjunction with Newcastle City Council as lead authority.

5 Prudential Indicators

5.1 The Treasury Management strategy agreed by the ITA in January 2013 included a range of indicators to ensure the prudent use of the ITA's borrowing powers set out in the Local Government Act 2003. These prudential indicators have been revised based on the most up to date available information and are set out in the following tables:

	2012/13 actual	2013/14 estimate	2014/15 estimate	2015/16 estimate
Capital expenditure (including Nexus) (£m)	61.165	61.123	53.000	52.750
Ratio of Financing Costs to Net Revenue Stream (%)				
ITA	3.55	3.41	3.37	3.21
Nexus	6.32	6.26	6.02	5.79



Tunnels from Tolls	33.33	28.48	26.93	25.36
Capital Financing Requirement at end of year (£m)				
ITA and New Tyne Crossing	162.303	164.635	163.469	162.108
Nexus	49.121	47.141	45.236	43.403
Total	211.424	211.776	208.705	205.511
Incremental Impact of Capital Investment Decisions (£m)				
Impact on ITA Levy	(0.149)	(0.101)	(0.096)	(0.092)
Operational Boundary for External Debt (£m)				
	235	235	235	235
Authorised Limit for External Debt (£m)	240	240	240	240
Actual External Debt				
- Borrowing (excluding accrued interest) (£m)	204	202	199	196

6 Next steps

- 6.1 The Treasury Management and Investment Strategy for 2014/15 will be presented to the ITA in January 2014.



7 Potential impact on objectives

7.1 There is no impact on ITA objectives as a result of this report.

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REPORT FOR DECISION

DATE: 28 NOVEMBER 2013

SUBJECT: REVISION TO METRO AND FERRY FARES 2014

REPORT OF: DIRECTOR GENERAL OF NEXUS

PURPOSE OF REPORT

To seek the ITA's approval for changes to Metro and Ferry fares for 2014.

RECOMMENDATIONS

The ITA is requested to approve the proposed levels for Metro and Ferry fares set out in Appendices A, B, C and D to this report, to be effective from 2nd January 2014.

CONTACT OFFICER

Tobyn Hughes, Deputy tobyn.hughes@nexus.org.uk 0191 203 3246
Director General

IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive

1	Executive Summary
1.1	Metro fares are proposed to increase, from 2 nd January 2014, by a weighted average of 2.5%; this figure is 0.6% below the level of the Retail Price Index of 3.1% (as at July 2013).
1.2	Ferry fares are proposed to increase, from 2 nd January 2014, by a weighted average of 2.3%; this figure is 0.8% below the level of the Retail Price Index of 3.1% (as at July 2013).
1.3	<p>The proposals set out in this report have three main objectives:-</p> <ol style="list-style-type: none"> i. to deliver revenue growth in line with Nexus' Medium Term Financial Strategy; ii. to grow patronage on the Metro system; and iii. to encourage customers to switch to smart ticketing wherever possible.
1.4	<p>In terms of delivering revenue growth, this proposal remains consistent with the objectives set out in Nexus' Medium Term Financial Strategy (MTFS) which was approved by the ITA in January 2013. The proposed increases are set against a backdrop of improving revenue performance from adult fare paying passengers (but continuing declines amongst other market segments such as students and concessionary passengers). Although the impact on patronage and revenue during August 2013 from the major line closure was significant, patronage and revenue both returned to pre-closure levels within 3 weeks.</p>
1.5	<p>In terms of growing patronage, the proposals as set out in this report are forecast to increase patronage by around a quarter of a million journeys in 2014/15. This is achieved through a range of initiatives:</p> <ul style="list-style-type: none"> • Child fares frozen at 2013 prices; • Annual MetroSaver and Corporate MetroSaver tickets reduced by 7%; • A new Monthly Metrosaver ticket introduced (in addition to the existing 4 week ticket). This internet-only fare ensures monthly paid employees can purchase travel covering the full period from one pay day to the next; • 16-18 ticket price discount set at 60% of the equivalent adult ticket; • Students ticket price discount set at 30% of the equivalent adult ticket; • A new Termly student ticket introduced.
1.6	<p>In order to encourage customers to switch to smart ticketing the following measures are proposed:</p> <ul style="list-style-type: none"> • The introduction of a £0.15 discount for single journey prices paid for using 'Pop Pay As You Go' (PAYG) when this facility is introduced during 2014; • The introduction of a daily cap rate of £4.35 for customers travelling using Pop PAYG. This is £0.15 cheaper than the all-zone DaySaver ticket price. <p>In addition to enabling the switch to smart ticketing, the £0.15 discount is a patronage generation measure given that the price represents a reduction versus the current 2013</p>



REPORT FOR DECISION

	price, resulting in increased demand.
2	Introduction and Background
2.1	Although Metro experienced a short-term decline in revenue in early 2012/13, this position was reversed over the latter part of the year and this trend has continued during 2013/14 - notably amongst adult fare paying passengers. As a result Metro revenue is likely to be at least £1.2m in excess of the original budget set for 2013/14. However, the Medium Term Financial Strategy (MTFS) still requires an overall increase in fare revenue from a review of fares in January 2014 to be commensurate with earlier expectations.
2.2	Therefore, the fare increases proposed in this report are expected to contribute an additional £1.1m of revenue in 2014/15.
2.3	The constraint of only increasing fares in multiples of £0.10 is applicable to single, transfare and day tickets on both Metro and Ferry to avoid ticket machines and operatives running short of coinage for change. However applying the minimum £0.10 increase can result in percentage increases for individual ticket types being above the level of inflation; nevertheless overall proposals remain below the level of inflation. Payment using Pop PAYG is electronic and therefore not bound by this same constraint; hence price changes using smaller amounts of money are possible.
2.4	Ferry revenue has continued to demonstrate an improvement in 2013/14 compared to 2012/13 (as does Ferry patronage). With very few ticket types making up the Ferry product range, weighted average increases of 2.3% overall is the closest possible level of increase to that of Metro. Whilst the Ferry is able to accept payment using Pop PAYG, further technical development is required for it to be able to offer a range of smart fares that are different to existing prices.
3	Pricing Strategy
3.1	Following the lifting in 2010 of the previous DfT requirement that Metro fare increases be limited to RPI+1%, there is no constraint to the ITA setting prices at a higher level than RPI if it so wishes. However, Nexus is mindful of the ITA's objective of growing Metro patronage over the long term; this is not likely to be achieved if price increases are higher than inflation. Nevertheless an increase in fares (albeit below inflationary) is still required to address the financial position that Nexus is currently facing i.e. operating with an overall budget deficit whilst also seeing Metro revenues improve against a backdrop of poor performance in the first half of 2012/13.



REPORT FOR DECISION

3.2	As a result of passenger feedback the ticketing range will be expanded during 2014 to trial an internet-only monthly ticket for adult passengers offering greater value for regular travellers. The monthly ticket ensures passengers can purchase travel covering the full period from one pay day to the next. This removes the need for monthly paid passengers to 'gap-fill' with DaySaver tickets once a 4 weekly ticket has run out in advance of the next monthly pay date. A new student term ticket ensures students can split their travel payments over the course of a year in line with their academic study dates. These new tickets will be available to buy via the Nexus retail website during the trial period.
3.3	The ITA has for some time stated an objective of improving affordability for young people. This is proposed to be achieved through freezing on child fares, and enhancing discount levels for 16 to 18 year olds and students compared to the equivalent adult fare.
3.4	The notion of differential pricing to encourage passengers to switch to Pop PAYG from established and familiar paper tickets was first discussed in the January 2013 fares paper. The proposals contained in this report build on that initial proposal by introducing a £0.15 differential on single journeys on Metro using Pop PAYG immediately following its introduction in early 2014. A daily price cap also with a discount of £0.15 over the all zone DaySaver price will form part of the launch in 2014.
3.5	A feature of the new smart ticketing system is that initially only one daily 'price cap' can be established, whereas current DaySaver pricing has different prices for 1, 2 and all zone travel. A single daily price cap priced at £4.35 (a £0.15 discount compared to the all zone DaySaver) will be available from the launch of Pop PAYG, and additional daily price caps for travel wholly within 1 or 2 zones will be introduced at a later stage when system functionality is enhanced.
4	Proposed Fare Changes
4.1	Single, DaySaver and Transfare tickets – A £0.10 increase is proposed for all single and day tickets. This is the minimum increase that can be applied due to the constraint to keep prices in multiples of £0.10 for cash fares. This has the effect that some ticket types are proposed to increase by more than 2.5%. Ticket prices are shown in appendix A.
4.2	Pop Pay As You Go (PAYG) - To support the long term strategy of migration to Smart cards, it is proposed that passengers making single journeys using their Pop card will benefit from cheaper fares, with each journey costing £0.15 less than the equivalent cash fare following the launch of Pop PAYG during 2014. With adult single cash fares proposed to increase by £0.10 in January 2014, this equates to a reduction when compared against current fares. The all zone daily price cap is proposed to be set at £4.35 which represents a £0.15 discount



REPORT FOR DECISION

	<p>over the All Zone DaySaver price. This ensures that passengers making multiple single journeys on Metro can benefit from a daily price at the point at which it is cheaper to do so and which the smart system will automatically calculate and apply for them. This increases flexibility by removing the need for passengers to pre-plan their exact daily journey patterns. Towards the end of 2014, the daily cap rate will be expanded to include a daily cap for both 1 and 2 zone travel. All 3 daily cap rates will be set at a £0.15 discount over the equivalent DaySaver prices. Pay as you Go prices are shown in appendix A.</p>
4.3	<p>Child Tickets - The price of child tickets are proposed to be frozen at 2013 prices, as set out in Appendix A.</p>
4.4	<p>4-weekly adult season tickets – The basic price of a 4-weekly ticket is proposed to be increased by an average of 3%. Proposed prices are shown in Appendix B. However it is proposed to remove the 10% online discount from all Metro season ticket renewals from January 2014 as the existing strategy of using a discount to encourage customers to buy on-line instead of at a travel shop, is now largely redundant. A new retailing website will be launched early in the New Year (with functionality that supports tablets and smartphones), and its convenience is likely to become many customers’ preferred method of renewing season tickets. Customers will pay online and collect their ticket as they pass through any Metro station. Alternative methods of renewing season tickets, including using Metro station ticket machines and at a new network of agents at local shops using PayZone, will incur similar administrative costs to Nexus. Therefore using price to incentivise the use of the internet in preference to other sales channels is no longer considered to be appropriate.</p>
4.5	<p>Monthly adult season tickets – Taking advantage of the introduction of the new retailing website, it is proposed to introduce a new internet-only monthly ticket in addition to the existing 4-weekly product. This will enable customers who receive a monthly salary from their employer to align the renewal date of their monthly season ticket to the date their salary is paid in to their bank account. Proposed prices for this new ticket type are shown in Appendix B.</p>
4.6	<p>Annual adult season tickets - The basic price of the Annual MetroSaver, annual Metro Student ticket and all Corporate tickets is proposed to be reduced by over 7%. For annual customers who currently buy these products online, this has the effect of significantly reducing the impact of the proposed removal of the 10% online discount.</p>
4.7	<p>16-18 season tickets - The 16-18 MetroSaver product remains available to all young people aged 16 to 18 irrespective of whether they are in full time education or not. The discount level is proposed to increase to 60% of the equivalent adult fare (previously 50%), in support of the long-standing ITA objective of improving affordability for young people using public</p>



REPORT FOR DECISION

	<p>transport. Whilst it is proposed to remove the 10% online discount in line with other products, the effect of this is significantly outweighed by the proposed price reduction.</p>
4.8	<p>Student season tickets – The discount level for Metro Student tickets is proposed to increase to 30% of the equivalent adult fare (previously 20%). For customers who currently buy these products online, this has the effect of almost entirely negating the impact of the proposed removal of the 10% online discount.</p> <p>In addition a new termly ticket is proposed, offering greater value for money compared to equivalent 4-weekly tickets. This will increase the student ticket product range and will be available for Inner Newcastle, Inner Sunderland and all zones.</p>
4.9	<p>Miscellaneous Tickets – A number of miscellaneous Metro ticket prices are proposed to increase in line with 0.6% below RPI as shown in Appendix C. This includes Class, Business and Conference Passes.</p>
4.10	<p>University of Sunderland Metro Card – it is proposed to remove this product from 2nd January 2014 due to a lack of demand. With only 200 sales in total for the academic year 2012/13 the cost of maintaining and developing this ticket type greatly outweighs the income achieved from offering it. Sales have declined from approximately 500 per annum following the introduction of the Sunderland Connect bus service and the University's offer of free travel to a significant number of first year students. Any tickets purchased prior to 2nd January 2014 will remain valid until they expire. There are a number of alternative travel and ticketing options for the 200 passengers using this ticket each year including the Sunderland Connect bus service, the Metro Student Card for Inner Sunderland with its enhanced 30% discount and the Network One ticketing arrangement with the University of Sunderland.</p>
4.11	<p>Ferry Single/Day Tickets – The minimum £0.10 increase is proposed to be applied to the Ferry DaySaver ticket whilst the Ferry Single and Child ticket prices will be frozen at 2013 prices. Transfare tickets bought on the Ferry are proposed to increase by £0.10 in line with Metro proposals.</p>
4.12	<p>Ferry Season Tickets – Prices are proposed to be frozen or increase in line with the price of the Ferry Single and Ferry DaySaver tickets to retain the existing differential between the prices. It is proposed to remove the 10% online discount applicable to the Ferry 4 Week ticket consistent with changes for Metro tickets set out above. Proposed prices are shown in Appendix D.</p>



5	Next Steps
5.1	A further report will be submitted in January 2014 in which the ITA will consider the 2014/15 budget. The budget proposal will take account of the Metro and Ferry fare changes contained in this report.
6	Potential impact on objectives
6.1	The proposed fare increases, which are below the level of inflation, are designed to have a positive impact on Metro patronage by generating an additional quarter of a million journeys in 2014/15.



APPENDIX A

Single / Day / PAYG Tickets - Price changes effective from 2 Jan 2014					
Product	2013 Price	2014 Price	£ inc on 2013 price	% inc on 2013 price	% sales within ticket group
1Z Single	£1.70	£1.80	£0.10	5.9%	15.0%
2Z Single	£2.50	£2.60	£0.10	4.0%	11.4%
3Z Single	£3.20	£3.30	£0.10	3.1%	7.9%
1 Z DaySaver	£2.50	£2.60	£0.10	4.0%	16.2%
2 Z DaySaver	£3.50	£3.60	£0.10	2.9%	20.0%
3 Z DaySaver	£4.40	£4.50	£0.10	2.3%	10.3%
1Z Single - Pop Pay as you Go		£1.65			5.2%
2Z Single - Pop Pay as you Go		£2.45			3.9%
3Z Single - Pop Pay as you Go		£3.15			2.8%
Daily Price Cap 1Z - Pop Pay as you Go		£2.45			1.1%
Daily Price Cap 2Z - Pop Pay as you Go		£3.45			1.3%
Daily Price Cap 3Z - Pop Pay as you Go		£4.35			3.5%
Transfare 1Z	£2.60	£2.70	£0.10	3.8%	0.3%
Transfare 2Z	£3.40	£3.50	£0.10	2.9%	0.7%
Transfare 3Z	£4.10	£4.20	£0.10	2.4%	0.4%
Child Tickets - Price changes effective from 2 Jan 2014					
Product	2013 Price	2014 Price	£ inc on 2013 price	% inc on 2013 price	% sales within ticket group
Child Commercial Single	£0.80	£0.80	£0.00	0.0%	34.8%
Child DaySaver	£1.20	£1.20	£0.00	0.0%	61.8%
Child Transfare	£0.90	£0.90	£0.00	0.0%	3.5%



APPENDIX B

MetroSaver- Price changes effective from 2 Jan 2014					
Product	2013 Price	2014 Price	£ inc on 2013 price	% inc on 2013 price	% sales within ticket group
Weekly 1Z	£9.80	£10.10	£0.30	3.1%	21.5%
Weekly 2Z	£14.40	£14.80	£0.40	2.8%	40.0%
Weekly 3Z	£19.80	£20.40	£0.60	3.0%	15.8%
4 Week 1Z*	£36.00	£37.10	£1.10	3.1%	4.4% (87% shop sales / 13% Online)
4 Week 2Z*	£50.50	£52.00	£1.50	3.0%	8.4% (87% shop sales / 13% online)
4 Week 3Z*	£66.60	£68.60	£2.00	3.0%	4.4% (86% shop sales / 14% online)
Monthly 1Z		£40.00			0.6%
Monthly 2Z		£56.00			1.2%
Monthly 3Z		£74.00			0.6%
Annual All Zones*	£520.00	£482.50	-£37.50	-7.2%	0.7% (23% shop sales / 77% online)
Corporate MetroSaver (0 - 19 tickets)	£468.00	£435.00	-£33.00	-7.1%	0.1%
Corporate MetroSaver (20-39 tickets)	£463.00	£430.00	-£33.00	-7.1%	0.1%
Corporate MetroSaver (40+ tickets)	£458.00	£425.00	-£33.00	-7.2%	2.2%

Prices marked * are currently sold online with a 10% discount. No online discount is proposed for 2014.

16-18 MetroSaver and Metro Student Card - Price changes effective from 2 Jan 2014					
Product	2013 Price	2014 Price	£ inc on 2013 price	% inc on 2013 price	% sales within ticket group
16 - 18 MetroSaver 1 Week All Zones	£9.90	£8.15	-£1.75	-17.7%	14.8%
16 - 18 MetroSaver 4 Week All Zones*	£33.30	£27.40	-£5.90	-17.7%	43.8% (87% shop sales / 13% online)
Student 4 Week Inner New / Sun*	£28.80	£25.95	-£2.85	-9.9%	17.5% (91% shop sales / 9% online)
Student 4 Week All Zones*	£53.25	£48.00	-£5.25	-9.9%	17.6% (90% shop sales / 10% online)
Student Term Inner New / Sun		£100.00			1.7%
Student Term All Zones		£125.00			2.1%
Student Annual Inner New / Sun*	£319.00	£266.40	-£52.60	-16.5%	0.6% (66% shop sales / 34% online)
Student Annual All Zones*	£416.00	£337.75	-£78.25	-18.8%	1.9% (46% shop sales / 54% online)

Prices marked * are currently sold online with a 10% discount. No online discount is proposed for 2014.



APPENDIX C

Miscellaneous Ticket Products- Price changes effective from 2 Jan 2014				
Product	2013 Price	2014 Price	£ inc on 2013 price	% inc on 2013 price
University of Sunderland Metro Card	£44.00	Product Discontinued		
Business Pass	£150.00	£153.00	£3.00	2.0%
Conference Pass	£2.30	£2.40	£0.10	4.3%
Class Pass - 1 Pass 1 Day	£29.20	£29.80	£0.60	2.1%
Class Pass - 2 Passes 1 Day	£46.30	£47.20	£0.90	1.9%
Class Pass - 1 Pass 1 Term	£88.50	£90.40	£1.90	2.1%
Class Pass - 2 Passes 1 Term	£145.90	£149.00	£3.10	2.1%
Class Pass - 1 Pass Annual	£228.00	£233.00	£5.00	2.2%
Class Pass - 2 Passes Annual	£404.00	£413.00	£9.00	2.2%
Single Inner Zone Rail Add On	£1.40	£1.40	£0.00	0.0%
Return Inner Zone Rail Add On	£2.00	£2.00	£0.00	0.0%
7 Day Inner Zone Rail Add On	£8.30	£8.40	£0.10	1.2%
Single Outer Zone Rail Add On	£2.40	£2.40	£0.00	0.0%
Return Outer Zone Rail Add On	£3.90	£3.90	£0.00	0.0%
7 Day Outer Zone Rail Add On	£15.10	£15.40	£0.30	2.0%



APPENDIX D

Ferry Ticket Prices - Price changes effective from 2 Jan 2014				
Product	2013 Price	2014 Price	£ inc on 2013 price	% inc on 2013 price
Ferry Single	£1.50	£1.50	£0.00	0.0%
Ferry DaySaver	£2.50	£2.60	£0.10	4.0%
FerrySaver 1 week	£11.20	£11.70	£0.50	4.5%
FerrySaver 4 week*	£42.50	£43.80	£1.30	3.1%
Ferry Carnet (10 single trips)	£12.00	£12.00	£0.00	0.0%
1 Zone Transfare	£2.60	£2.70	£0.10	3.8%
2 Zone Transfare	£3.40	£3.50	£0.10	2.9%
3 Zone Transfare	£4.10	£4.20	£0.10	2.4%
Child Commercial Single	£0.60	£0.60	£0.00	0.0%
Child Transfare	£0.90	£0.90	£0.00	0.0%

Prices marked * are currently sold online with a 10% discount. No online discount is proposed for 2014.

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REPORT FOR DECISION

DATE: 28 November 2013

SUBJECT: Disposal of Land at Whitburn Road, Sunderland

REPORT OF: Director General, Nexus

PURPOSE OF REPORT

To seek approval for the disposal of Nexus owned land at Whitburn Road, Sunderland commonly referred to as 'Seaburn Turning Circle', a plan of which is appended to this report.

RECOMMENDATIONS

That the Authority approves the sale of land at Whitburn Road, Sunderland, subject to Nexus securing best value.

BACKGROUND DOCUMENTS

Title Deed and Plan TY419233

CONTACT OFFICERS

<i>name</i>	<i>email</i>	<i>phone</i>
Colin Whittle	colin.whittle@nexus.org.uk	0191 203 3239

IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral

1	Executive Summary
1.1	Nexus have recently undertaken a review of their landholding. The review has identified a number of areas of land which Nexus have 'inherited' but which can be classed as 'non-operational' insofar as they are not required for the purposes of the operation of Metro.
1.2	One such area of land is at Whitburn Road, Sunderland. This land was previously used as a bus terminal point for services returning to Sunderland city centre. It has, however, not been used by regular services for many years and the main operators have been approached and have indicated that they do not see any circumstances in which it would be required in the future. Nexus are still obliged to maintain the site notwithstanding its 'non-use'.
1.3	The land is adjacent to a large site which is designated for housing in the Strategic Housing Land Availability Assessment.
1.4	Nexus have had a number of approaches regarding the availability of the site for sale.
2	Introduction and Background
2.1	The land at Whitburn Road, commonly referred to as the Seaburn Turning Circle, is owned by Nexus and was for many years used as a bus terminal point. It has, however, not been used by regular services for many years and the main operators have indicated that they do not anticipate it being required in the future. In any event, alternative facilities to turn buses exist 250m to the south at the roundabout adjacent to the Morrison's supermarket and 800m to the north at Sea Lane.
2.3	The land is adjacent to a large site which is designated for housing in the Strategic Housing Land Availability Assessment.
2.4	Preliminary advice has been taken concerning the disposal of the land. Various noise, environmental and traffic surveys, together with information from Sunderland City Council, indicate that it is not anticipated that there would be any issues which would prevent outline planning permission being obtained in relation to the land in respect of residential dwellings.
2.5	Competitive quotes from land agents will be obtained to ensure best value for money to Nexus. Disposal will be subject to any sale meeting a reserve price based on a valuation at the time of sale and an assessment of likely future changes.
3	Next Steps
3.1	Subject to approval of the sale by the ITA, outline planning permission will be obtained and then competitive quotes from land agents obtained to ensure best

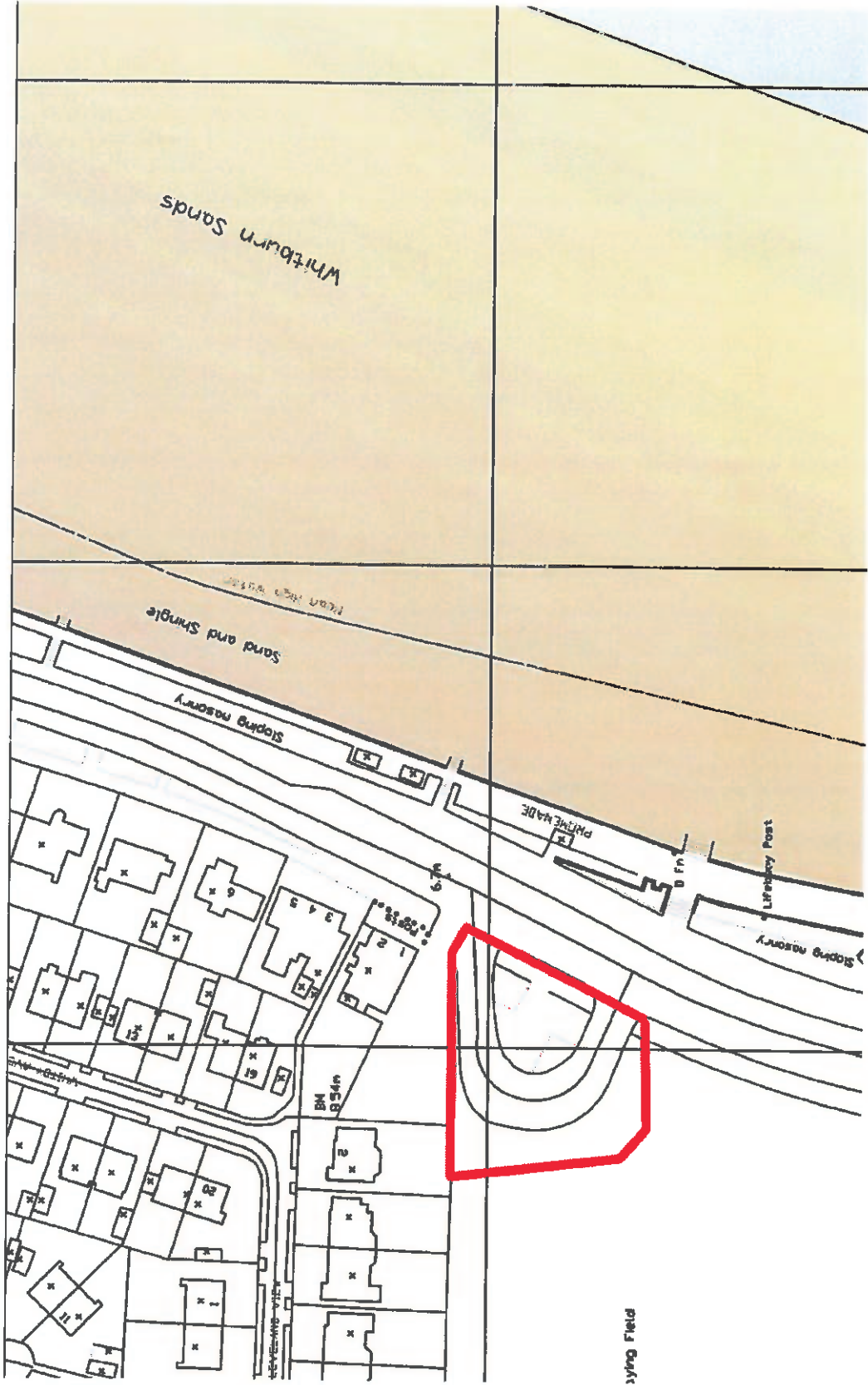


	value for money to Nexus.
4	Potential impact on objectives
4.1	The proposal will have a neutral impact on objectives.

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DATE: 28 November 2013

SUBJECT: Annual Audit Letter 2012/13

REPORT OF: ITA Treasurer

PURPOSE OF REPORT

The purpose of this report is to present the Annual Audit Letter for 2012/13, which is attached to this report as Appendix 1. The letter is very positive, confirming that an unqualified audit opinion was issued by the external auditor and all outstanding items completed by the required deadlines.

RECOMMENDATIONS

The ITA is recommended to receive the report and the Annual Audit Letter for information and comment.

BACKGROUND DOCUMENTS

Annual Report and Accounts 2012/13

External Auditor's report on the financial statement audit for the year ended 31 March 2013

CONTACT OFFICERS

Eleanor Goodman eleanor.goodman@twita.gov.uk 0191 277 7518

IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral

1 Executive Summary

- 1.1 This report presents the Annual Audit Letter issued by the external auditors, Deloitte, in October 2013. This completes the reporting in relation to the final accounts for 2012/13.

2 Introduction and Background

- 2.1 At the meeting of the ITA on 26 September 2013, the Authority approved the final Annual Report and Accounts, subject to the audit of some outstanding items being completed. The external auditor issued an unqualified audit opinion on the Statement of Accounts and an unqualified value for money opinion on 27 September, within the statutory deadline.
- 2.2 The external auditor also issued an unqualified opinion on the Whole of Government Accounts return on 4 October 2013, in advance of the deadline for submission to the Department for Communities and Local Government.

3 Observations made by the External Auditor

- 3.1 The Audit Letter is very positive, confirming that the external auditor did not identify any significant weaknesses in financial reporting systems, and did not raise any control observations.
- 3.2 Recommendations and control observations raised in relation to the 2011/12 accounts have been addressed by management to the satisfaction of the external auditor.
- 3.3 The external auditor has judged the financial standing of the Authority to be satisfactory, based on current and ongoing expenditure demands, expected income and the current cash and reserves position.

4 Timetable and Next Steps

- 4.1 The annual audit letter will be published on the Audit Commission website and the TWITA website. It will also be circulated to Audit Committee members and considered at the next meeting of that committee.

5 Potential impact on objectives

- 5.1 This report has no impact on the objectives of the ITA.

Tyne and Wear Integrated
Transport Authority

Annual Audit Letter

on the 2012/13 Audit

October 2013

Members of the Tyne and Wear Integrated Transport Authority
Civic Centre
Newcastle upon Tyne
NE1 8PD

30 October 2013

Dear Sirs

We have pleasure in setting out this Annual Audit Letter to summarise the key matters arising from the work that we have carried out in respect of the year ended 31 March 2013.

Although this letter is addressed to the members of Tyne and Wear Integrated Transport Authority ("the Authority"), it is also intended to communicate any issues identified, in an accessible style, to key external stakeholders, including members of the public. The letter will be published on the Audit Commission website at www.audit-commission.gov.uk and also on the Authority's website.

This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available from www.audit-commission.gov.uk.

This letter has been discussed and agreed with the Chief Financial Officer. A copy of the letter will be provided to all Members.

We would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the course of the audit. Our aim is to deliver a high standard of audit which makes a positive and practical contribution which supports the Authority's own agenda. We recognise the value of your co-operation and support.



Engagement Lead

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5. Other matters	6

1. Key messages

Statement of Accounts

Unqualified opinion issued on 27 September 2013

In 2012/13 the Authority was required to prepare its Statement of Accounts in accordance with International Financial Reporting Standards ("IFRS"). The adoption of a Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 based on IFRS resulted in a number of minor changes to accounting policies and disclosures.

The Statement of Accounts was prepared, audited and closed in accordance with the agreed timetable. The Authority achieved a good standard of financial reporting.

We issued an unqualified audit opinion on the Statement of Accounts on 27 September 2013.

Value for money conclusion

Unqualified opinion issued on 27 September 2013

We issued an unqualified value for money conclusion on 27 September 2013.

Annual Governance Statement

All relevant governance matters were adequately and appropriately disclosed

We considered the contents of the Annual Governance Statement and confirmed that the Statement adequately and appropriately disclosed all relevant governance matters arising in the year.

Whole of Government accounts and audit certificate

Unqualified opinion issued on 4 October 2013

The Whole of Government Accounts return was presented for audit by the deadline set by HM Treasury. We issued an unqualified opinion on the Whole of Government Accounts return on 4 October 2013.

The audit certificate of completion of the audit was issued on 4 October 2013.

Financial reporting systems

No significant weaknesses noted

We did not identify any significant weaknesses in the financial reporting systems.

2. Responsibilities and scope

Responsibilities of the Authority and Auditors

The Authority is responsible for maintaining the control environment, the accounting records and preparing the accounting statements in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 based on IFRS and other relevant legislation.

We are appointed as the Authority's independent external auditors by the Audit Commission, the body responsible for appointing auditors to local public bodies in England, including Integrated Transport Authorities.

As the Authority's appointed external auditor, we are responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice ("the Code"). Under the Code, we have responsibilities in two main areas:

- the Authority's accounts; and
- whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion).

The scope of our work

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) as adopted by the UK Auditing Practices Board ("APB"). The audit opinion on the accounts reflects the financial reporting framework adopted by the Authority, being the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 based on IFRS and other relevant legislation. We conducted our work on the value for money conclusion in line with guidance received from the Audit Commission in respect of other local government bodies for the financial year ended 31 March 2013.

3. The audit of the accounts

Key issues arising from the audit of the accounts

Statement of Accounts

Unqualified opinion issued on 27 September 2013

Before we give our opinion on the accounts, we are required to report to those charged with governance any significant matters arising from the audit. A detailed report was discussed with the members of the Audit Committee on 18 September 2013 and the Full Committee on 26 September 2013 and there were no key issues to report.

We issued an unqualified opinion on the Authority's 2012/13 accounts on 27 September 2013, in accordance with the deadline set for local government bodies. Our opinion confirmed that the accounts presented a true and fair view of the financial position of the Authority and its income and expenditure for the year.

Key issues from work performed on the Statement of Accounts

There were no identified uncorrected misstatements or disclosure deficiencies

We received a set of draft accounts in advance of the agreed deadline, which were supported by working papers. The finance staff were helpful throughout the process and responded swiftly to all queries. This performance reflects well on the professionalism of the finance staff and their commitment to maintaining high-level controls over financial systems. There were no identified uncorrected misstatements or disclosure deficiencies.

Annual Governance Statement

The Statement includes all appropriate disclosures and is consistent with our understanding of the Authority's governance arrangements

As appointed auditors, we review the Annual Governance Statement ("AGS") and comment on any inconsistencies noted between the AGS and our audit work, other work relating to the Code of Audit Practice, and our understanding of the Authority's Governance arrangements. We have concluded that the Statement includes all appropriate disclosures and is consistent with our understanding of the Authority's governance arrangements and internal controls derived from our audit work.

Whole of Government Accounts return

Unqualified opinion issued on 4 October 2013

The Whole of Government Accounts return was presented for audit by the deadline set by HM Treasury. We issued an unqualified opinion on the Whole of Government Accounts return on 4 October 2013.

Audit Certificate

Issued on 4 October 2013

When our audit is complete we are required to certify the closure of the audit. The audit certificate was issued on 4 October 2013.

4. Value for money

Background and approach

Under the Audit Commission Code of Audit practice, as appointed auditors, we are required to draw a positive conclusion regarding the organisation's arrangements to secure economy, efficiency and effectiveness of its use of resources (the value for money (VFM) conclusion).

In 2012/13 as set out in the [Work Programme and Scales of Fees 2012/13: Local Government](#), the approach to local VFM audit work at specified bodies, including the Authority, is based on criteria specified by the Commission. For 2012/13, auditors of these bodies will continue to meet their VFM duty by:

- reviewing the Annual Governance Statement;
- reviewing the results of the work of the Commission and other relevant regulatory bodies or inspectorates, to consider whether there is any impact on the auditor's responsibilities at the audited body; and
- undertaking other local risk-based work as appropriate, or any work mandated by the Commission.

We did not identified any local risk-based work, nor was there any additional work mandated by the Commission.

The Vfm conclusion

Having performed our work in line with guidance received from the Audit Commission we issued an unqualified value for money conclusion for the 2012/13 financial year. This means that we are satisfied that in the areas reviewed the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources during the year.

Financial resilience

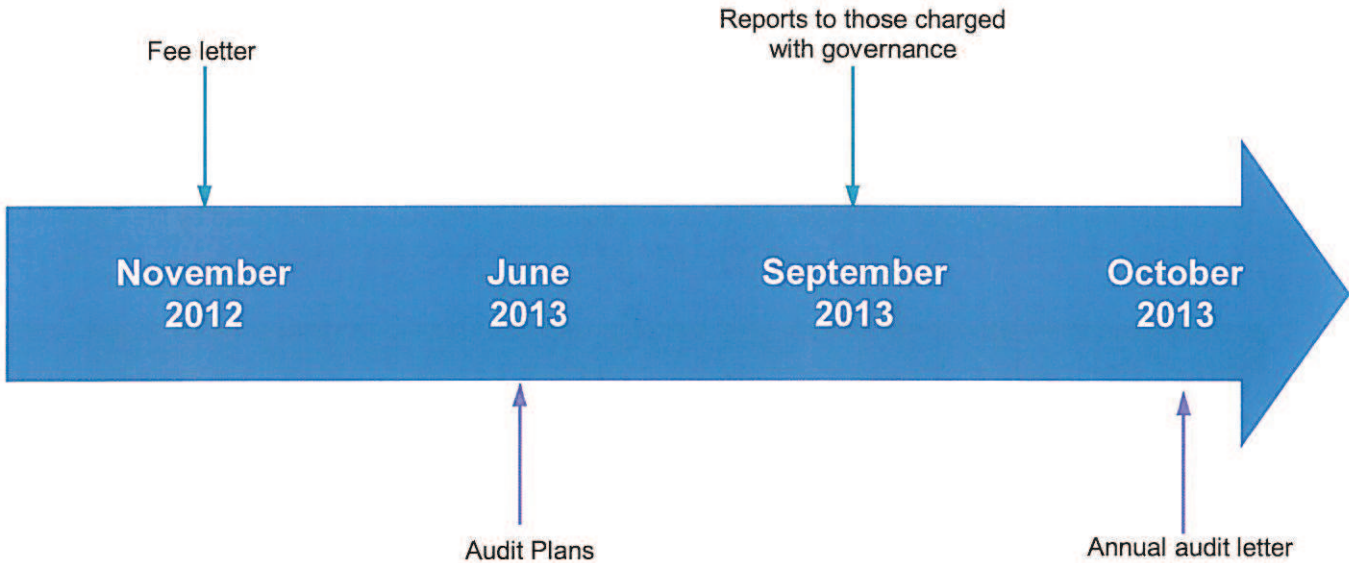
We have considered the financial standing of the Authority through review of the outturn in 2012/13, budgets for 2013/14 and the Local Transport Plan. The Authority is clearly facing significant financial challenges but we have no specific concerns over the response to those challenges or the financial standing of the Authority.

5. Other matters

Reports issued

Reports issued during the course of the 2012/13 audit included:

- Fee letter;
- Audit plans;
- Reports to those charged with governance on the 2012/13 audit; and
- Annual Audit letter.



Analysis of audit fees

Audit fees charged are as follows:

	2013 £	2012 £
Total fees for the audit of the annual accounts and whole of government accounts return (excluding VAT)	19,599	32,599

We have not performed any non-audit services in either the current or prior year.

Independence and objectivity

In our professional judgement, our policies and safeguards that are in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit partner and audit staff is not impaired.

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body and this report is prepared on the basis of, and our audit work is carried out in accordance with, that statement.

The matters raised in this report are only those that came to our attention during our audit and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented. In particular, we would emphasise that we are not responsible for the adequacy and appropriateness of the national data and methodology supporting our value for money conclusion as they are derived solely from the Audit Commission.

This report has been prepared for the Members, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other party since this report has not been prepared, and is not intended, for any other purpose.

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the Annual Audit Letter since first published. These matters are the responsibility of the Authority but no control procedures can provide absolute assurance in this area.

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DATE: 28 November 2013
SUBJECT: General Policy Update
REPORT OF: Clerk to the ITA

PURPOSE OF REPORT

To provide ITA Members with a brief overview of recent national transport announcements and developments and to outline some of those wider national policies that have a direct link to transport and the ITA's ability to meet its objectives.

RECOMMENDATIONS

ITA Members are asked to note the report and endorse the submission of a response to the consultation outlined in para 2 – to be overseen and signed off by the Clerk to the ITA.

BACKGROUND DOCUMENTS

Copies of all documents referenced in this paper (including consultation responses) are available from the contact officers.

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral



1. Executive Summary

1.1 This paper outlines a range of policy decisions, consultations, funding decisions and announcements made by government since the ITA received their last bi-annual update in May 2013. While the paper includes information which may be of interest to ITA members and covers various transport sectors, including road, rail and aviation, it is not an exhaustive list of every aspect of policy of relevance to transport.

2. Consultation on transforming the Highways Agency into a government-owned company

2.1 In June 2013 the Government published two documents: Investing in Britain's Future and Action for Roads. The two documents set out a new vision of England's strategic road network and unveiled the biggest-ever upgrade to the existing road network.

2.2 Investing in Britain's Future and Action for Roads revealed the government's intention to reform the Highways Agency (HA) from an executive agency of the Department for Transport (DfT) to a government-owned company.

2.3 In October 2013, the government published 'Consultation on transforming the Highways Agency into a government-owned company'. The document outlines proposals for the migration of the HA to a government-owned company and sets out plans for how the new company will be structured and governed. The document also describes how effective scrutiny will be conducted. The company's powers and duties and the proposed staffing structure are also outlined.

2.4 The document invites comments. The consultation will run from 29th October until 20th December 2013 and responses will be used to inform the structure of the new company and shape the forthcoming legislation to empower the company.



3. Local Pinch Points Fund Tranche 4

3.1 As part of the [2012 Autumn Statement](#) the government announced the creation of a Local Pinch Point Fund worth £170 million. Bottlenecks on the local highway network impede growth. The fund aims to remove such bottlenecks and £115m has already been awarded via tranches 1-3 of the fund.

3.2 The remaining £55m will make up tranche 4 of the fund. Local Authorities were invited to submit proposals, including schemes that were previously unsuccessful in securing pinch points funding and have since been improved.

As per the other pinch points tranches, scheme promoters must commit to providing a 30% local contribution.

3.3 Tranche 4 schemes fall into two categories:

- Small schemes: require DfT funding of between £1 million and £5 million
- Large schemes: require DfT funding of between £5 million and £20 million.

3.4 The deadline for bids was 31st October 2013, bids were made by individual local highways authorities – not by the ITA.

4. A1 Western Bypass

4.1 The Highways Agency (HA) is undertaking measures to reduce congestion on the A1 Western Bypass, which is used by more than 100,000 vehicles per day, exceeding its theoretical capacity.

4.2 The Highways Agency will be carrying out works to alleviate congestion and reduce journey times at the A1/A19 Seaton Burn junction. The works will be funded by the national Pinch Point Programme, which was outlined during the Chancellor's Autumn Statement in November 2011.

4.3 The scheme will:

- Provide a third lane on the Fisher Lane and A19 approaches to the Fisher Lane roundabout, and provide traffic signals on the B1318 approach;
- Provide a third lane on the roundabout between the A19 exit arm and the A1 exit arm;



- Improve the layout of the slip roads;
- Introduce a second lane on the southbound exit slip road approach to signals; and
- Extend the third lane of the northbound exit slip road

4.4 Construction of the scheme, which is estimated to cost £6,093,400, will commence March 2014 and it is expected that the scheme will be complete by March 2015.

4.5 Alleviation of congestion along the A1 is one of the key commitments of the Newcastle City Deal. The HA, supported by Newcastle City Council, Gateshead Council and the Department for Transport, plans to upgrade the section of the A1 between Lobley Hill – Dunston Interchange. The scheme is in line with the commitments made in the Newcastle City Deal and will help facilitate opportunities for development and economic growth.

4.6 The scheme, which is estimated to cost between £58 million and £77 million, is expected to start construction summer 2014.

Works must start no later than the Ministerial target of March 2015.

5. Wave 2 City Deals – Sunderland and South Tyneside

5.1 Wave 2 of City Deals follows on from the first wave which saw eight of the UK's largest cities, including Newcastle, form deals with government enabling them to:

- take charge and responsibility of decisions that affect their area;
- do what they think is best to help businesses grow;
- create economic growth; and
- decide how public money should be spent.

5.2 Wave 2 invites the next 14 largest cities outside of London and their wider areas, and the 6 cities with the highest population growth during 2001 to 2010, to negotiate deals with government to obtain new powers in return for greater responsibility to stimulate and support economic growth. The wave will see cities and government bargain with one another with “asks” and “offers” from both sides.



The process is competitive and it is not guaranteed that all 20 cities will be awarded a deal.

5.3 The 20 Wave 2 cities were required to put forward an initial proposal by January 2013. Sunderland (working with South Tyneside) is one of the 20 Wave 2 cities bidding for new powers to boost local growth. Sunderland and South Tyneside have stated that they want to use a City Deal to expand their manufacturing base and to diversify and grow the city's economy.

5.4 The Government and the 20 Wave 2 cities are currently working together to develop the proposals in more detail and to negotiate a final deal. The Wave 2 deals are expected to be agreed early in 2014.

6. Single Local Growth Fund (Strategic Economic Plan, LSTF)

6.1 In March 2013 the government announced the Single Local Growth Fund in their response to Lord Heseltine's Review. Additional detail on the fund was announced as part of the Spending Review in July 2013. The review saw the Government commit to devolving economic powers from central government to local areas. Local Enterprise Partnerships were given responsibility for potential growth in their local area.

6.2 From 2015/16 the Single Local Growth Fund will be used to distribute local transport funding, as well as housing and skills funding. The fund will be worth approximately £2bn per year between 2015 and 2020 and approximately half of the fund will be allocated on a competitive basis with the remainder allocated on a formulaic basis.

6.3 Local Enterprise Partnerships have been tasked to develop Strategic Economic Plans by Government, working with key partners. The distribution of funding from the Single Local Growth Fund will be based on the quality of the Strategic Economic Plans.

6.4 The North East Local Enterprise Partnership and the North East Leadership Board (the emerging Combined Authority for the area) are working together to develop the Strategic Economic Plan (SEP) for the north east region.

6.5 The SEP will:

- Articulate the shared strategic economic vision for local growth;



- Provide the overarching policy framework and implementation plan for the region, forming the basis for more detailed strategies such as the European Structural and Investment Fund Strategy;
- Create the basis for prioritisation of a range of investment funds and alignment of local assets and resources; and,
- Form the basis for negotiation of a Local Growth Deal with Government.

6.6 A draft SEP needs to be submitted to Government in December 2013. Following feedback from government and a formal consultation period the SEP will be refined for final submission in March 2014.

The key deadlines are:

- Submission of draft to Government, December 13
- Feedback from Government, January 14
- Revision of draft SEP thematic content, implementation plan and performance framework, January – February 2014
- Final SEP submission, March 14
- Local Growth Deal negotiation concludes July 14

6.7 The Department for Transport has identified £100m capital Local Sustainable Transport Funding (LSTF) as part of the first year's allocation (2015/16) of the Local Growth Fund. This capital funding can be accessed through the Strategic Economic Plan and associated Local Growth Deal negotiations, although it is not ring-fenced for transport.

6.8 A further £78.5m revenue funding will be retained by the Department for Transport. The bulk of the funding will be allocated to local authorities via a competitive bidding process. Areas that have prioritised an element of Capital expenditure via their SEP are most likely to receive a proportion of the available revenue funding. It is expected that the competition for the revenue funding stream will be launched in December 2013.

6.9 Proposals for capital and revenue funding streams must be aligned and supported by LEPs. Local authorities are also required to confirm that their strategic economic plan will prioritise sustainable travel initiatives and funding for proposals will be sought through the LEP's Growth Deal negotiations with government.



- 6.10 The DfT recently requested applications for extensions to existing LSTF projects that are providing value for money and are providing successful. Funding is not guaranteed and the deadline for the submission of extension bids was 11th October 2013 (covered in detail elsewhere on this agenda).
- 6.11 Tyne and Wear has submitted two bids to extend elements of both programmes currently being delivered – Schools Go Smarter and Go Smarter to Work. £1.192m has been requested for an extension of elements of the Go Smarter to Work programme to add value to the current activity in the four key areas in the bid served by the A1 plus additional activity focusing on the A19 travel corridor.
- The Schools Go Smarter programme has been subject to a bid for an extension of £1.199m to focus on the transition between primary and secondary school, and help to create a sustainable ‘legacy’ element of the Go Smarter to Schools programme.

7. Local Major Schemes

- 7.1 It was announced on the 16th July 2013 that the North East Local Transport Body (NELTB) had been allocated £31.1m for local major schemes. The DfT had previously indicated that the North East region would receive £46.7m.
- 7.2 A list of 10 prioritised schemes was agreed by the North East Local Transport Body (LTB) and submitted to the DfT in September 2013. The combined ask for all 10 schemes amounts to more than £31.1m. Therefore the first six schemes are to be funded through the local major schemes fund and the remaining four will be included in the Strategic Economic Plan (SEP) – the local major schemes funding will be allocated as part of the funding in the local growth deal (para 6).
- 7.3 The prioritised schemes are as follows:
- South Shields Transport Hub (Local Major Schemes Fund)
 - Sunderland Low Carbon Zone (Local Major Schemes Fund)
 - A1058 Coast Road (Local Major Schemes Fund)
 - Northern Access Corridor (Local Major Schemes Fund)
 - A167 Park and Ride Corridor (Local Major Schemes Fund)
 - Horden Rail Station (Local Major Schemes Fund)



- A194/A185 (The Arches) Junction (Strategic Economic Plan)
- Newcastle Central Metro Station (Strategic Economic Plan)
- A189/A191 Haddricks Mill (Strategic Economic Plan)
- A19/A194/A1300 Lindisfarne Roundabout (Strategic Economic Plan)

7.4 Promoters of the 10 prioritised schemes are currently working on developing an initial project plan and risk register for their scheme(s). The project plan will include estimated timescales for the following:

- Production of business cases;
- Completion of associated technical work;
- Progress of outline and detailed design;
- Statutory orders;
- Public consultation;
- Procurement; and
- Construction of the scheme.

7.5 The project plan will also give an indication of when schemes are likely to spend. Initial project plans and risk registers will be used to update the North East Local Transport Body (NELTB) on progress made towards achieving each of the items listed above.

8. Aviation Commission

8.1 In 2012, the Aviation Commission, chaired by Sir Howard Davies, was formed to examine the demand for additional airport capacity in the UK. The government has tasked the commission with making short, medium and long term recommendations for meeting demand.

8.2 The commission's developing views were set out on 7th October 2013, with the announcement that there is clear justification for new runway capacity in the South East of England. The commission is currently working to produce a shortlist of possible locations for additional runway infrastructure. The shortlist will be drawn up before Christmas 2013.

8.3 A third runway at Heathrow, a new four-runway hub airport at the Isle of Grain



in Kent, at Stansted, or in the Thames estuary and a second runway at Gatwick are some of the options currently being considered.

- 8.4 The Commission will publish a final recommendation and report in summer 2015, after the general election.

9. High Speed Rail (HS2)

9.1 Between 16th May and 11th July 2013, HS2 Ltd consulted on proposed refinements to the Phase One route: London – Birmingham. Decisions on the HS2 Phase One design refinements and Bromford and Northolt were announced by the Secretary of State for Transport on 24th October 2013. Safeguarding directions to protect the land earmarked for HS2 in these areas were also issued – completing the safeguarding of the Phase One Route.

9.2 Two HS2 consultations are currently running:

- A consultation on the proposed route and sustainability of HS2 Phase 2 launched in July 2013. The consultation will close on 31st January 2014.
- In September 2013 a consultation on new proposals setting out compensation for residents affected by HS2 Phase One was announced. The consultation will run until 4th December 2013.

9.3 On 31st October 2013 funding for the preparation phase of HS2 was approved. The money released will be used to fund surveys, purchase buildings and compensate evicted residents.

9.4 Sir David Higgins has recently been appointed as the new chair of HS2 Ltd. At the beginning of November 2013, the Secretary of State for Transport commissioned Sir David to review the £42.6bn cost of HS2 and consider how better planning and early engagement with the industry can help to reduce the timescales and cost of the scheme, whilst still delivering all of the benefits – the findings will be reported in March 2014.

10. Rail Devolution Update

10.1 The DfT's revised timetable for awarding rail franchises has resulted in proposals to devolve the north of England's local rail services to be delayed by two years.



- 10.2 The DfT's eight year timetable for awarding franchises acknowledges the recommendations of the Brown franchising report and limits the number of new franchises to three or four per year. In order to ensure that this number is not exceeded, the DfT intends to extend a number of existing contracts, including those for Northern and Transpennine franchises. The Northern franchise's contract will be increased by 22 months and the Transpennine contract by 10 months, providing the opportunity for the two franchises to be merged at a shared end-date to the franchises.
- 10.3 Plans to take over the management of Northern and Transpennine rail franchises are being drawn up by local authorities in Greater Manchester, West Yorkshire and South Yorkshire. Whilst the delay to awarding the northern franchise is longer than expected, local authorities developing proposals state that this will provide them with more time to refine the devolved governance arrangements.
- 10.4 In the north east, at officer level, work on rail devolution is being taken forward by the Rail Officers' Working Group (ROWG). This group is currently chaired by Ken Mackay the former Director of Rail at Nexus, and extends invites to officers from each of the 12 north east local authorities, the North East LEP, Tees Valley Unlimited (Tees Valley LEP) and the Association of North East Councils (ANEC). This group reports to the Rail Devolution Strategic Group (RDSG) – a sub-group of the regional Chief Executives group, with a remit to steer the North East's input and investigation in to rail devolution and in particular manage communication with the Rail North authorities on behalf of ANEC Leaders.
- 10.5 A specialist rail consultant has been appointed by the RDSG (contracted via Nexus) to take forward technical work to understand the costs and implications of an autonomous north east business unit. This consultant also provides a resource to ensure NE attendance at technical meetings convened by Rail North.
- 10.6 The 12 Local authorities have been in constant communication with the Rail North authorities on their proposition for taking control of rail devolution. The first correspondence with Rail North was initiated in June of last year and the Rail North governance proposition has been through several iterations in recent months.
- 10.7 Rail North recently consulted on a long term rail strategy for the north, the consultation ran from 20 July to 21 October 2013, and members of the Rail Officers' Working Group commented on several drafts. The group have recently commissioned a Rail Strategy for the North East, in order to inform the Rail



North Strategy, and to provide further detail on the investment requirements of the North East. It is envisaged that this piece of work will be complete by February 2014.

11. East Coast Mainline franchise

- 11.1 The competition to find an operator for the East Coast Mainline was launched on 25th October 2013.
- 11.2 A series of documents has been published, marking the start of the search for a private sector partner who the Department for Transport considers will play a key role in revolutionising services on the East Coast Mainline. The documents include an 'OJEU Notice', the 'Pre-qualification questionnaire (PQQ)', the 'Prequalification process document (PPD)', the 'Prospectus', and the results of the East Coast consultation which asked passengers what they would like to see from the new franchise.
- 11.3 The prospectus states that bidders will need to consider the following when developing their proposal:
- innovative timetables which build on the core train service requirement published by the DfT;
 - investment in innovative ways to transform the customer experience on trains and at stations;
 - further opportunities for investment along the route, particularly at stations;
 - making the route and train operations more sensitive to the environment;
 - involving communities along the route in local decision making; and
 - demonstrating how their proposals will support economic growth along the route.
- 11.4 Over a six year period, the winning bidder will be expected to capitalise on the government's investment in the route, provide a high standard of customer service and value for money for the passenger.
- 11.5 In January 2014, the DfT intends to announce the prospective bidders that have passed the pre-qualification stage. It is then expected that the DfT will issue the



Invitation to Tender in February 2014. The shortlisted bidders will then be given 3 months to prepare bids. The winning franchisee will start services in February 2015.

12. Freight

- 12.1 In September 2013, in response to growing concerns about accidents involving cyclists and goods vehicles, the Department for Transport, Transport for London and the Mayor of London announced new measures to improve cycle safety in London, including the establishment of a new industrial HGV task force to take direct action against dangerous HGV drivers, vehicles and operators.
- 12.2 Whilst focused on London, these proposals are of relevance to those local operators who deliver goods to the capital. Moreover, and bearing in mind Tyne and Wear authorities' objectives for substantial growth in cycling, the Tyne and Wear Freight Partnership has been taking pro-active measures to address the issue locally. An event in September gave local lorry drivers the chance to understand the perspective of cyclists, involving a mixture of classroom-based learning and cycling proficiency training. Further work of this type is planned to ensure that, as cycling grows across the region, operators and cyclists are able to safely share road space.

13. Better Bus Areas

- 13.1 In October 2010, the DfT announced that the basic rate at which Bus Service Operators Grant (BSOG) is paid per litre of fuel used would be reduced by 20%. The reduction was introduced in April 2012.
- 13.2 As highlighted at the ITA Committee meeting on 23rd May 2013, areas awarded Better Bus Area (BBA) Status will see BSOG gradually transferred from bus operators to local authorities from October 2013 until April 2017. In addition, local transport authorities in BBAs will receive a top-up capital grant equivalent to 20% of the total commercial BSOG that would otherwise be paid to operators in the BBA.
- 13.3 BBA funding will be used to support capital and revenue bus schemes, including real-time-information, new tendered services and bus priority lanes. Schemes



must demonstrate an increase in patronage as a result of the improvements.

- 13.4 All local transport authorities in England, excluding those in London, were able to bid. The deadline for applications was 21 June 2013 and bids were required to represent better value for money than BSOG arrangements.
- 13.5 The first BBA was developed by South Yorkshire Passenger Transport Executive as part of the Sheffield City Deal. The Sheffield BBA was introduced in February 2013 and was operated as a pilot. Under the BBA agreement, direct bus subsidy to operators in Sheffield will gradually be devolved to the South Yorkshire Passenger Transport Executive. The subsidy will be topped up with nearly £1.6 million a year from government. The funding is being used to resolve problems with bus infrastructure and improve traffic management.
- 13.6 On 10th October 2013, Merseyside, York, Nottingham and the West of England Partnership region (Bath, Bristol and South Gloucester) were awarded Better Bus Area designation. Between them, the four new BBAs will receive £16.5 million in funding up to 2017. This is in addition to the funding awarded to Sheffield BBA.

There breakdown of funding is as follows:

- Nottingham £11.3 million
- Merseyside £2.7 million
- York £1.3 million
- West of England £1.3 million

14. Green Bus Fund- Round 4

- 14.1 £12 million from the fourth round of the Green Bus Fund is being used to purchase 213 new low carbon buses. Stagecoach North East is to receive £305,601 from the fund, enabling 17 low carbon buses to be introduced in Sunderland.
- 14.2 In total, the four rounds of the Green Bus Fund have provided £87 million in funding and helped local authorities and bus operators to deliver more than 1,200 new low carbon buses across England.
- 14.3 Stagecoach North East (Newcastle and Sunderland), Go North East (Durham-Newcastle), Arriva Northumbria (Blyth-Newcastle) and Nexus (Sunderland) have all benefitted from the four rounds of the Green Bus Fund, receiving a total of 72



vehicles between them.

15. Clean Bus Technology Fund

- 15.1 In August 2013, it was announced that eleven local authorities will receive a share of £5 million from the DfT's Clean Bus Fund, enabling just under 400 buses to be upgraded. Gateshead Council, Newcastle City Council and Nexus are among the winning bidders, receiving a total of £346,500 that will be spent on upgrading 21 buses. There will be reduced emissions from the upgraded vehicles, benefiting the environment.
- 15.2 On 28th October 2013 it was announced that an additional five local authorities would receive funding from the Clean Bus Technology Fund. The successful local authorities include Sunderland City Council and Durham County Council which will receive £275,500 between them, enabling Selective Catalytic Reduction technology to be fitted to the exhaust systems of 19 buses.

16. Taxis

- 16.1 Some of the legislation relating to taxis is archaic and dates back as far as 1847. Key statutes refer to "hackney carriages" when taxis were literally horse-drawn vehicles. At the request of the Government, the Law Commission has been carrying out a review of the legislation since 2012 with a view to making it simpler and more up-to-date.
- 16.2 It had been anticipated that the Commission would publish final proposals before Christmas but these are not now expected until April 2014. However, they have already outlined their interim proposals (subject to adjustment in the final report), the main points of which are as follows:
- Authorities will retain power to limit the number of taxis licensed in their area;
 - Two-tier system to be retained;
 - National standards for safety, accessibility and enforcement to be set;
 - Local authorities can set additional standards if they wish;
 - Private hire vehicles to be allowed to operate 'cross-border' (not



restricted to own licensing area); and

- Tougher enforcement powers for licensing officers.

16.3 Implementation of the Commission's final recommendations will depend on the DfT bringing them forward in legislation.

Locally, Councillor Frank Lott, the ITA Lead Member with responsibility for the taxi trade, has recently met with taxi trade members and Licensing Officers to discuss their issues and concerns and the potential for greater harmonisation of licensing practice. Further meetings are planned once the outcome of the Law Commission review is known.

17. Newcastle City Council Cycle City Ambition Fund

17.1 Newcastle City Council has been awarded £5.2m from the Government's Cycle City Ambition Fund. The winning bid was developed in partnership with the city's cycling community, local businesses, universities, charities, the Newcastle Cycling Campaign and colleagues in public health and puts forward measures to help increase cycling in the city.

17.2 The grant, which is for a two year period, will help the city achieve its 10 year strategy to make Newcastle a city fit for cycling with an aspiration that, within 10 years, 12% of journeys under 5 miles within Newcastle will be by bike. The funding will be used to:

- Create a network of cycle routes into the city centre, with connections to regional and national routes;
- Create a cyclist and pedestrian friendly city core with cycle-friendly routes around it;
- Improve safety measures on busier streets and continue to implement 20mph restrictions on residential streets;
- Work with traders and residents to make local neighborhoods and shopping areas better for pedestrians and cyclists;
- Work with public health colleagues to encourage and enable cycling for health; and
- Build on events such as SkyRide which attracted nearly 8,000 cyclists.

17.3 Cycling across Tyne and Wear will be a future topic of an ITA Policy Seminar with



further reports to the ITA in due course.

18. Defra Air Quality Management

- 18.1 On the 1st July 2013, the Department for the Environment, Food and Rural Affairs (Defra) launched a six week consultation on the best way to address shortcomings identified in Local Air Quality Management (LAQM) legislation in England.
- 18.2 LAQM has been in place since 1997 and has greatly improved knowledge of the sources and extent of air pollution. However quantifying the impacts and effectiveness of measures introduced to improve air quality has proven difficult and few local authorities have been able to revoke any Air Quality Management Areas as a result of their interventions.
- 18.3 Furthermore, LAQM is very administrative and does not usually take compliance with EU limit values into account. Defra believes that it is necessary to reinvigorate and refocus LAQM on action to help the UK meet EU air quality standards and to clarify its role alongside other actions to improve air quality. The refocused LAQM should also highlight what local authorities can do to improve air quality by working together.
- 18.4 The consultation was the first part of a two stage exercise and was concerned with policy which impacts on local authorities in England. A second-stage consultation will be carried out. Responses will be published following the closure of the consultation.

19. Potential impact on policy objectives

- 19.1 Some of the policies outlined in this report could potentially have an impact on the ITA's key objectives.

It is anticipated that the following policies will have an impact on the objective: to support economic development and regeneration;

- Wave 2 City Deals;
- Local Growth Fund;
- Local Major Schemes Devolution; and



- Tranche Four Pinch Point Fund.

19.2 The following policies are expected to have an impact on the objective: supporting safe and sustainable communities:

- Newcastle City Council Cycle City Ambition Fund; and
- Freight and Cycle Safety Measures

19.3 It is expected that the policies listed below will have an impact on the objective: addressing climate change:

- Defra air quality management; and
- Green Bus Fund, Clean bus technology fund.

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DATE: 28TH November 2013
SUBJECT: LSTF Programme Update and Extension Proposal
REPORT OF: Chair, Joint Transport Steering Group

PURPOSE OF REPORT

To fully apprise members of the work underway on behalf of the ITA as part of their Go Smarter programme and to seek endorsement of the submitted expression of interest in any funding that becomes available for additional LSTF activity.

RECOMMENDATIONS

ITA Members are asked to note the report and endorse the expression of interest in additional funding.

BACKGROUND DOCUMENTS

Copies of all documents referenced in this paper are available from the contact officers.

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive



1 Executive Summary

- 1.1 This report and the attached Member's Briefings provide an update on the progress towards the delivery of the Tyne and Wear ITA 'Go Smarter' programme. This consists of two elements – 'Schools Go Smarter' and 'Go Smarter to Work' – which are being implemented as part of the Department for Transport's Local Sustainable Transport Fund (LSTF) programme.
- 1.2 This paper also outlines the extension proposals submitted to the Department for Transport. These proposals build on the existing Go Smarter programme.

2 Background information

2.1 Schools Go Smarter

Schools Go Smarter began in July 2011, following the successful bid to the DfT. £4.904m of funding was awarded to the ITA and a further £5.956m was added from local contributions. This gives a total of £10.860m to invest in local sustainable transport projects up to the end of March 2015.

- 2.2 School run traffic has a significant impact on congestion. During school holidays, peak journey times reduce by over 25% on our main corridors. This shows the impact it has on the traffic on our roads which affects business growth and the environment. By encouraging more children and their parents / carers to use alternative transport, including walking and cycling, we will reduce congestion as well as reduce CO₂ emissions, improve health and benefit the local economy.

2.3 Go Smarter to Work

Go Smarter to Work began in September 2012, following the successful bid to the DfT. £4.995m of funding was awarded to the ITA to help relieve the congestion on the A1 Western Bypass. A further £2.7m was added from local contributions. This gives a total of £7.695m to invest in measures that promote sustainable transport across Tyne and Wear, and in particular in employment areas served by the A1 Gateshead Western Bypass, up to the end of March 2015.

- 2.4 Activity around Go Smarter to Work will also support forthcoming A1 Western Bypass capital works by helping people change their travel behaviour before, during and after the infrastructure works.



2.5 Extension Proposals

In September 2013, DfT advised that there may be underspend on the current LSTF programme, nationally, to March 2015. Ministers may wish to re-allocate funds to existing projects should underspend become available and DfT invited proposals from current programmes in anticipation of this.

2.6 Timescales dictated that a submission was needed to DfT by 11th October. Proposals were presented at the ITA LTP Working Group on 10th October where it was discussed that, given the time constraints in developing the extension and that they are not a decision making body, the Chair of the JTSG should lead the development of the proposal and then report it back to the ITA for endorsement.

2.7 It must be noted, that DfT have stated that there is no guarantee that funding will become available however, in the event it does, this expression of interest ensures Tyne and Wear will be in a position to take advantage.

3 Members Briefings

3.1 The attached Members Briefings provide an update on the delivery of the two elements of the Go Smarter programme. They have been split into two distinct briefings – Schools Go Smarter and Go Smarter to Work. There are two editions of each Briefing.

3.2 Briefing No.1 reports on delivery from the beginning of each element up until the end of March 2013. This was to align with the annual reporting requirements for DfT. Briefing No.2 reports on delivery from 1st April 2013 to 31st August 2013.

4. Extension Proposals

Schools Go Smarter (SGS)

4.1 Total additional request for SGS - £1,199,000. (£590,000 Capital and £609,000 Revenue).

4.2 The proposal outlined 10 project extensions that would build on existing projects or implement new ideas. These focused on 'Transition' (between primary and secondary) and 'Legacy'.



4.3 Transition Projects include:

- **Cycle Induction** - Building on the Bus Induction project.
- **Theatre Education** - Extending the current project to include Yr7 pupils.
- **Transitions Pilot – Walking –** To remove barriers to walking (such as bullying and safety concerns) at transition from primary to secondary school and encourage year round walking to school.

4.4 Legacy Projects include:

- **School Neighbourhood Improvements** - Based on audits and including Links / Grants to School
- **Bike It / FEAT 1st** - Sustain those successful schools through additional capital grants to support voluntary activity in response to projects' exit strategies
- **Child Pedestrian Training** - Extension of the current project with a further 4 training assistants to cope with demand
- **Parking at Schools** - Enhancing current project through promotion and joining up with the Child Pedestrian Training project
- **Active Travel Hubs** - A hub in each district to promote activity, training and act as a storage centre whilst helping local people linked to the schools, become able and regular active travellers
- **Special Educational Needs Work** - Building on pilot work in 2 schools
- **Communications and Marketing** - Enhanced activity

Go Smarter to Work (GSW)

4.5 Total additional request for GSW - £1,192,000. (£897,000 Capital and £295,000 Revenue).

4.6 The proposal outlined 9 project extensions that would build on existing projects or implement new ideas.

4.7 Projects building on existing work include:

- **Cycle Links to Team Valley (Phase 2)** - Improved new route linking to currentwork



- **RTPI** - Upgrade existing on-street bus information signs
- **Jobseekers Ticketing** - Extend the reach of the current travel voucher scheme
- **Communications and Marketing** - Enhanced activity

4.8 New ideas for projects include:

- **Links to Work / Grants to Work** - Needs identified through A1 Travel Planning – based on the schools' concept
- **A19 Corridor Travel Planning** - Replicate successful work based on the A1 corridor and link to 2015/16 proposals
- **CCTV in Bus Shelters** - Increase personal security, perceptions of safety and detection of crime. Builds on the Better Bus Area project
- **Blaydon Station access** - Provide full accessibility to Platform 1, for increased service of 20 trains per day from December 2013

5 Next steps

- 5.1 Briefing No. 3 is in preparation – it will be taken to the next meeting of the ITA LTP Working Group in December for discussion before being brought to the ITA.
- 5.2 The extension proposals were submitted to DfT on 11th October. As yet, there has been no date given for a decision from DfT.
- 5.3 Members are asked to endorse the submitted expression of interest in any funding that becomes available for additional LSTF schemes.
- 5.4 We are currently procuring an external supplier to deliver both the Active Travel to Work and Schools campaign in Spring. The campaign will consist of advertising, media buying, PR delivery, production of marketing collateral and a social media strategy; plus advice on furthering the brand to ensure longevity and legacy.

5 Potential impact on objectives

- 5.1 Successful delivery of the Tyne and Wear Local Sustainable Transport Fund programme is intended to:



- Support economic development and regeneration and safe and sustainable communities by tackling the problems of congestion thereby improving the reliability and predictability of journey times.
- Address climate change by increasing the use of sustainable and active modes of travel and thus reducing harmful emissions generated by single occupancy private car use.
- Support safe and sustainable communities by enhancing road safety and expanding travel opportunities.

SCHOOLS GO SMARTER MEMBERS' BRIEFING July 2013

Introduction

Schools Go Smarter began in July 2011, following the successful bid to the Department for Transport. £4.904m of funding was awarded to Tyne and Wear Integrated Transport Authority, and a further £5.956m was added from local contribution. This gives a total of £10.860m to invest in local sustainable transport projects up to March 2015.

Why do we need to invest?

School run traffic has a significant impact on congestion. During school holidays, peak journey times reduce by over 25% on our main corridors. This shows the impact it has on the traffic on our roads, which affects business growth and the environment. By encouraging more children to use alternative transport we will reduce congestion as well as reduce CO2 emissions, improve health and benefit the local economy.

How are we investing?

Through Schools Go Smarter we are delivering an integrated programme of initiatives to show children and parents that there are safe alternatives to car use. These include walking, cycling, road safety and public transport initiatives.

The projects have been grouped under five key themes – active travel, road safety, infrastructure, promotion and marketing and project management. The individual projects under these themes are:

Active Travel

Walk Primary
Walk Secondary
Bike It
FEAT1st
Balance Bikes

Road Safety

Child Pedestrian Training
Parking at Schools

Infrastructure

School Links
Grants to School

Promotion and Marketing

Promotion of Public Transport
Bus Induction
Travel Matters
Communication and Marketing

Programme Management

Management

Project Overviews - Active Travel

Walk Primary

Walk primary is delivered by Living Streets. It promotes walking to school in primary schools through the Walk Once a Week initiative (WoW). WoW is a national initiative that encourages children to walk at least once a week to school through a range of materials and by incentivising the children with themed badges for each month.

100

schools taking part in WoW

In 2012/13, 100 schools in Tyne and Wear have received free resources (badges, wall-charts and an interactive 'Travel Tracker' whiteboard app), plus school assemblies and surprise visits from our Walk to School mascot, Strider. We have also worked with ten schools in Tyne and Wear to identify and tackle specific barriers to walking at the schools involved, such as traffic speeds, as well as solutions for pupils living too far away to walk the whole way to school.

Walk Secondary

Walk Secondary is delivered by Living Streets. It promotes walking to school in secondary schools through the Free Your Feet and Campaign in a Box initiatives. Free Your Feet is a week long walking challenge in which students record their walking on a postcard and enter it into a prize draw to win shopping vouchers. Participating schools receive free resources: a vinyl railing banner, a postcard for every student, posters, a Powerpoint presentation on a DVD and £50 in shopping vouchers. During the week we also deliver assemblies and distribute walking-related goodies (such as wristbands, umbrellas, water bottles and gym kit bags) at the school gate. We also encourage schools to repeat their Free Your Feet week annually. In 2012/13, 40 Free Your Feet weeks were held across 30 schools.

30

schools taking part in Free Your Feet

As part of Walk Secondary we also run Campaign in a Box. This is a toolkit for student led campaigns which focus on walking. In 2012/13 we worked with seven schools to deliver Campaign in a Box, which led to a number of different campaigns being run such as a campaign for parking away from dropped kerbs by a group of wheelchair using students in Newcastle, and a 'walking zone' map in Sunderland, as well as several student-led walking challenges.

Bike It

Bike it is delivered by Sustrans. It aims to increase the number of children cycling to and from school. The project works with children, parents and teachers and helps remove barriers that stop people from cycling. We work with schools to improve cycling confidence, safety and awareness through

73

schools taking part in Bike It

practical activities that are educational and fun. Since the start of the project we have delivered 1,895 activities to 107,184 attendees.

FEAT 1st

FEAT 1st (Families Enjoying Active Travel) works with children, families and teachers to encourage active travel, focussing on the benefit on health and local environment. The project includes a number of cycling and walking activities that the children get involved in, helping to improve health, wellbeing and community engagement. Since the start of the project we have delivered 1,405 activities to 92,176 attendees.

56

schools taking part in FEAT 1st

Balance Bikes

Balance Bikes is a project that helps children in nursery school and reception year at primary school learn cycling skills. It involves the children using pedal-free bikes to help them to gain confidence and learn how to balance on a bike. This makes the transition to using a two-wheeler pedal bike less daunting. 313 balance bikes were purchased and distributed.

313

balance bikes distributed

Project Overview – Road Safety

Child Pedestrian Training

Child Pedestrian Training (CBT) provides valuable life skills to children aged between seven and nine years old. The training helps the children develop skills and strategies through discussion and practice, providing experiences where the children can learn and discover for themselves. It gives practical roadside training, which helps the children to learn how to make judgements and decisions about road safety. The constructive feedback they are given about their choices helps improve their skills and behaviour further. Through the practical experience they get during the training the children understand their local environment better and have more confidence about walking to school when they have to take the journey without adult supervision.

1243

children trained through CBT

Parking at Schools

Parking at Schools uses a camera car for parking enforcement, generally around schools. It addresses existing parking problems in these locations. It aims to improve road safety for school children, as well as other pedestrians and cyclists, and motorists. The camera car is seen as more effective than the traditional method of foot patrols as it collects the evidence automatically and more areas can be covered. By end February 2013 camera cars were been used in North Tyneside and Newcastle (issuing 411 tickets over 549 visits). Vehicles in the other three districts will be going 'live' during 2013/14.

411

tickets issued

Project Overview – Infrastructure

School Links

School Links involves improving cycle and pedestrian access to schools through route improvements, safer crossings and /or signage. Ten safer crossing schemes have now been completed across Tyne and Wear as well as a reconstructed footpath. Two improved cycle routes have been provided as well as two shared surface routes for pedestrians and cyclists. These enhancements are all in close proximity to schools, making the journey to school safer and more accessible by foot and by bike.

14

schemes
completed to
date

A further seven safer crossing schemes are due to be completed by the end of March 2014, as well as five schemes which will benefit both cyclists and pedestrians. More schemes will be proposed for 2014/15.

Grants to Schools

Grants to Schools involves helping schools to carry out improvements on their site to encourage sustainable travel, such as building new cycle shelters and racks, and scooter pods. Over one hundred cycle racks have now been installed at schools across Tyne and Wear, as well as eight cycle shelters, a parent waiting shelter and a scooterpod (two mushrooms (store pods), seven scooters per mushroom). More of these facilities will also be provided up to March 2015.

100

cycle racks
installed

Project Overview – Marketing and promotion

Promotion of Public Transport

Promotion of Public Transport (PPT) is being delivered by Nexus. The project involves working with pupils and their parents who will be changing schools in September, focusing on year 6 (10 to 11 year olds), and year 4 (8 to 9 year olds) in the areas which have first/middle/high schools, to promote independent travel. Parents are contacted with general information and offered the opportunity to receive a personalised public transport journey plan from their home to the new school. We also support classroom sessions in a number of schools to explain and encourage the use of public transport to pupils, some of whom may never have used a bus or Metro.

10

Schools took
part in PPT

Bus Induction – “Suss the Bus”

Bus Induction provides an introduction to bus travel for Year 6 pupils in their final term at primary school. The morning activity comprises a presentation by a Nexus officer, a bus journey to the secondary school that most of the pupils will transfer to, a quiz and a question and answer session. The class

30

Schools taking
part in bus
induction

teacher also receives preparatory materials to be used in the lead up and follow up to the Bus Induction morning and is directed to the complementary resources on the TravelMatters website.

TravelMatters

TravelMatters is a website (www.travelmatters.org.uk) that provides classroom resources aimed specifically at promoting sustainable travel. Teachers can download lesson plans, display materials and presentations which will help deliver literacy, numeracy, history and PSHE. The site also has a Pupils' Zone with games and activities designed to promote sustainable journeys.

1141

users of travel
matters by
November 2012

Support

The projects are supported by the Core Team, which leads on programme management including co-ordinating activity across the partnership and monitoring progress and implementation of the projects. In addition to the programme management there is also full time communication and marketing support. This includes supporting the projects on an individual basis providing advice and materials on how to best communicate with its targeted audience as well as building profile of the programme over all. It has already delivered a number of projects and campaigns such as stakeholder analysis, and a brand awareness campaign in March this year. The communication and marketing lead also oversees the implementation of the brand and ensures consistency and open and timely communication whilst monitoring spend to ensure value for money.

For more information about any of the information in this Briefing or about Schools Go Smarter please contact the Programme Manager, Melanie Carls, melanie.carls@newcastle.gov.uk, 0191 211 6023.

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SCHOOLS GO SMARTER MEMBERS' BRIEFING No.2 **October 2013 – Reporting on delivery 1st April – 31st August 2013**

Introduction

Schools Go Smarter began in July 2011, following the successful bid to the Department for Transport. £4.904m of funding was awarded to Tyne and Wear Integrated Transport Authority, and a further £5.956m was added from local contribution. This gives a total of £10.860m to invest in local sustainable transport projects up to March 2015. The first Members' Briefing was produced in July 2013, covering the programme up until the end of March 2013, to align with annual reporting requirements to Department for Transport. This second briefing gives an update on delivery from 1st April 2013 to the end of August 2013.

Why do we need to invest?

School run traffic has a significant impact on congestion. During school holidays, peak journey times reduce by over 25% on our main corridors. This shows the impact it has on the traffic on our roads, which affects business growth and the environment. By encouraging more children to use alternative transport we will reduce congestion as well as reduce CO2 emissions, improve health and benefit the local economy.

How are we investing?

Through Schools Go Smarter we are delivering an integrated programme of initiatives to show children and parents that there are safe alternatives to car use. These include walking, cycling, road safety and public transport initiatives.

The projects have been grouped under five key themes: Active Travel; Road Safety; Infrastructure; Promotion and Marketing; and Programme Management. The individual projects under these themes are discussed in detail below.

Project Overviews - Active Travel

Walk Primary

Walk Primary, delivered by Living Streets, promotes walking to primary schools through the Walk Once a Week initiative (WoW). Through WoW, children build a collection of themed badges over a year, by walking to school at least once a week. Between April and August 2013, Living Streets supported 97 Tyne and Wear schools to take part in WOW, and delivered 49 assemblies and other events in school. Fifteen schools have been selected by district officers to receive additional support, to tackle specific barriers to walking, such as traffic speeds, and to develop solutions for pupils living too far away to walk the whole way to school, such as 'Park and Stride'.

97

schools taking
part in WoW

Walk Secondary

Between April and August 2013 Living Streets has delivered 56 events and activities in secondary schools across Tyne and Wear, promoting walking to secondary schools through the Free Your Feet challenge and Campaign in a Box initiatives.

Living Streets is currently supporting 35 schools across Tyne and Wear to run an annual Free Your Feet week. This week-long walking challenge encourages students to walk more, through awareness-raising assemblies, a prize draw and giveaways of walking-related goodies, such as wristbands, umbrellas, water bottles and gym kit bags.

Campaign in a Box is a toolkit for student-led campaigns for more walking and improved walking routes. Between April and August 2013, Campaign in a Box highlights included a film promoting considerate parking, made by students at Percy Hedley College in Newcastle; a walking map created by students at The Cedars School in Gateshead and an awareness-raising walk completed by 300 students from Boldon School in South Tyneside.

Bike It

Bike It is delivered by Sustrans. It aims to increase the number of children cycling to and from school. The project works with children, parents and teachers and helps remove barriers that stop people from cycling. We work with schools to improve cycling confidence, safety and awareness through practical activities that are educational and fun. Between April and August 2013, the Bike It project has delivered 851 activities to 44,923 attendees. We are currently working with 73 schools and will be recruiting up to 30 more for the 2013/14 school year.

FEAT 1st

FEAT 1st (Families Enjoying Active Travel) works with children, families and teachers to encourage active travel, focusing on the benefit on health and local environment. The project includes a number of cycling and walking activities that the children get involved in, helping to improve health, wellbeing and community engagement. Between April and August 2013, FEAT 1st has delivered 583 activities to 35,182 attendees.

Balance Bikes

Balance Bikes is a project that helps children in nursery school and reception year at primary school learn cycling skills. It involves the children using pedal-free bikes to help them to gain confidence and learn how to balance on a bike. This makes the transition to using a two-wheeler pedal bike less daunting. An additional 50 balance bikes were purchased and distributed between April and August 2013.

35

Schools taking part in Free Your Feet

73

schools taking part in Bike It

56

schools taking part in FEAT 1st

50

additional balance bikes distributed

Project Overview – Road Safety

Child Pedestrian Training

Child Pedestrian Training (CPT) provides valuable life skills to children aged between seven and nine years old. The training helps the children develop skills and strategies through discussion and practice, providing experiences where the children can learn and discover for themselves. It gives practical roadside training, which helps the children to learn how to make judgements and decisions about road safety. The constructive feedback they are given about their choices helps improve their skills and behaviour further. Through the practical experience they get during the training the children understand their local environment better and have more confidence about walking to school when they have to take the journey without adult supervision.

973

children trained through CPT

Parking at Schools

Parking at Schools uses a camera car for parking enforcement, generally around schools. It addresses existing parking problems in these locations. It aims to improve road safety for school children, as well as other pedestrians and cyclists, and motorists. The camera car is seen as more effective than the traditional method of foot patrols as it collects the evidence automatically and more areas can be covered. Between April and the end of the school term in July, 235 tickets were issued by 3 of the 5 districts.

235

tickets issued

Theatre Education

Theatre education is a means to educate and inform through a drama / stage production. The project is aimed at secondary school (years 8 & 9) students and aims to promote safer and sustainable travel near roads and on public transport. Improving safety specifically on public transport is a major theme explored in the production. The theatre production will tour schools across Tyne & Wear beginning in October.

Project Overview – Infrastructure

School Links

School Links involves improving cycle and pedestrian access to schools through route improvements, safer crossings and /or signage. Between April and August there has been one further scheme completed in Sunderland. These enhancements are all in close proximity to schools, making the journey to school safer and more accessible by foot and by bike.

1

Further scheme completed April to August

A further seven safer crossing schemes are due to be completed by the end of March 2014, as well as five schemes which will benefit both cyclists and pedestrians. More schemes will be proposed for 2014/15.

Grants to Schools

Grants to Schools involves helping schools to carry out improvements on their site to encourage sustainable travel, such as building new cycle shelters, racks, and scooter pods. Between April and August over 50 cycle racks have been installed at schools across Tyne and Wear, as well as a further seven cycle shelters. More of these facilities will also be provided up to March 2015.

50

cycle racks
installed

Project Overview – Marketing and promotion

Promotion of Public Transport

Promotion of Public Transport (PPT) is being delivered by Nexus. The project involves working with pupils, who will be moving up to secondary school, and their parents/carers, to promote independent travel. In the summer term, over 300 parents requested personalised journey plans for their child's journey to their new secondary school. More than 90% of these were engaged via the pilot with Newcastle's school admissions section for a centralised mailshot email or letter. The remainder were engaged by letters sent to parents via in-class sessions in primary schools in the other districts. Nexus have sent out journey plans to all those requesting them. The main developments for 2013/14 are to investigate whether this centralised mailing approach with school admissions can be extended to more districts, and to develop the IT aspect to further automate the production of the journey plans.

319

pupils received
a personal
journey plan

Bus Induction – Suss the Bus

Bus Induction provides an introduction to bus travel for Year 6 pupils in their final term at primary school. The period April to August is the school summer term and is when the Bus Induction project is delivered in schools. Although planning takes place throughout the year, and reaches a peak in the period either side of the Easter break, delivery can only take place in schools after the SATS are completed (mid-May), for practical and academic reasons. This year, following careful preparation and building on previous experience, Nexus' Community Relations Officers delivered the full morning activity to Year 6 pupils in 30 schools across Tyne & Wear, with approximately 900 pupils. Feedback once again indicated that the project was very well received and valued by the schools involved.

30

schools taking
part in bus
induction

TravelMatters

TravelMatters is a website that provides classroom resources aimed specifically at promoting sustainable travel. Teachers can download lesson plans, display materials and presentations which will help deliver literacy, numeracy, history and PSHE. The site also has a Pupils' Zone with games and activities designed to promote sustainable journeys. In July a marketing exercise was undertaken where teachers in KS1 & 2 schools were contacted with promotional items to prompt them to visit www.TravelMatters.org.uk.

19

New 'sign ups' to the website

Communications and Marketing

Part of the Go Smarter brand awareness campaign, running in September and October 2013, involves promoting the message around Active Travel to Schools. Tying into International Walk to School Month (October 2013) and the activity that is being developed in schools across Tyne & Wear by Living Streets, we are working to deliver communications activity that will effectively reach schools, parents, carers and children to promote Active Travel to Schools. The Go Smarter website was also refreshed during August in preparation for the brand awareness campaign.

Support

The projects are supported by the Core Team, which leads on programme management including coordinating activity across the partnership and monitoring progress and implementation of the projects. In addition to the programme management there is also full time communication and marketing support. This includes supporting the projects on an individual basis providing advice and materials on how to best communicate with its targeted audience as well as building profile of the programme over all.

For more information about any of the information in this Briefing or about Schools Go Smarter please contact the Programme Manager, Melanie Carls, melanie.carls@newcastle.gov.uk, 0191 211 6023.

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GO SMARTER TO WORK MEMBERS' BRIEFING

July 2013

Introduction

Go Smarter to Work began in September 2012, following the successful bid to the Department of Transport. £4.995m of funding was awarded to Tyne and Wear Integrated Transport Authority to help relieve the congestion on the A1 Western Bypass. A further £2.7m was added from local contribution. This gives a total of £7.695m to invest in measures that promote sustainable transport across Tyne and Wear, and in particular around the A1 Western Bypass. This will be achieved through the delivery of four scheme packages:

- Improved infrastructure – bus priority, cycle and pedestrian routes, and cycle parking at interchanges
- Improved travel information – real time passenger information and marketing
- Behaviour change measures through business engagement and smarter choices initiatives
- Travel support for jobseekers.

These activities are concentrated in four main employment areas – Newcastle city centre and Baltic Quays, Team Valley, Metrocentre and areas of Washington, where it is anticipated that an increase in the uptake of sustainable travel to work will reduce the number of short-distance, work-related trips along the A1 that are the primary cause of congestion and delay.

Package One: Infrastructure investment

The major bus infrastructure improvements are being delivered by Gateshead Council and involve the introduction of bus priority measures at the northern end of the Team Valley (Kingsway roundabout area). Team Valley is the largest employment site adjacent to the A1 Western Bypass.

Additionally cycle parking facilities are to be installed, by Nexus, at the major public transport interchanges, in tandem with a wider programme of secure cycle storage at up to 13 Metro stations (where this can be justified by demand). All other Metro stations are to receive basic cycle parking facilities in the form of 'bike pods', also funded by Nexus.

Cycle and pedestrian facilities at Team Valley will also be enhanced in order to encourage more walk/cycle trips.

Work to end March 2013 has included detailed design of the Team Valley schemes and planning for installation of cycle parking.

Package Two: Improved travel information

The LSTF will provide the bulk of funding for the introduction of real time bus information across the Tyne and Wear area. This will not be in the form of on-street signs, although the raw data that is to be collected could be used for this purpose at a later date; the outcome of the programme will be the availability of real time data for all services available online through website and mobile portals.

The funding will pay for over 1700 buses to be equipped with the technology to allow their location to be regularly transmitted to a central data broker; this will be linked via an 'interface cloud', allowing the data to be fed from the buses to users' devices. What this will deliver in practice is real time bus information that follows the user and allows passengers to access reliable data relating to the location of their bus service.

Agreement has been reached with the three largest bus operators which will enable over 99% network coverage to be achieved; it is expected that the system will be fully functional during 2014.

The data will have crossover benefits with the Better Bus Area-funded bus corridor improvements programme, as information on late-running services as (evidenced by their location relative to where they ought to be at a given point in time) can be used to inform the operation of traffic signals in order to allow these services one-off priority at signals to assist them in regaining their schedule.

Package Three – Travel Planning

In the four key employment areas Business Advisors will be undertaking a Business Engagement Programme that will result in the offer of a tailored and targeted package of measures for organisations and their employees. This 'Toolkit of Measures' consists of various activities and initiatives that are designed to reflect the most appropriate mode for different types and lengths of journey. The tailoring of the Toolkit will take into account the needs and demands of the organisation being targeted and the interventions utilised to identify and influence employees' travel behaviour. Supporting measures already available in each area will also be promoted where applicable.

Toolkit

The toolkit of measures includes the following activities and initiatives, that will be tailored on an individual organisation and employee basis:

Cycle Smart

Cycle Smart is a range of free activities and support to help employees get more active through cycling to work. As well as dedicated support from the Go Smarter team, some of the activities available include:

Dr Bike - Bike safety checks, minor repairs and alterations by Dr Bike, to make the journey to work safer and more enjoyable. If Dr Bike can't fix it they will issue a bike 'prescription' to take along to a local bike shop, in turn supporting the local economy.

Fix it Yourself - Bike maintenance workshops for those who want to learn more about looking after their bike; courses are delivered by experienced mechanics and content covers basic bike checks, puncture repair, brakes and gears.

Cycle Training - Cycle training sessions to help those who would like to cycle more but aren't confident enough. Cycle trainers will be providing cycling instruction and training to employees - three levels will cover those who are a complete beginner, haven't cycled for a while or are just looking to brush up their skills.

Drive Smart

Drive Smart is all about giving people opportunities to drive more efficiently when other forms of transport are not an option for their journey to work, contributing to the reduction in carbon emissions that was a secondary objective of the LSTF bid. We will be investing in schemes that are already up and running as well as funding training opportunities:

Car Sharing - We will be assisting businesses in joining existing car sharing scheme, or setting up one of your own.

Smarter Driving Courses - Smarter Driving courses will be provided for those employees where the car is shown to be the only option for the journey to work. This typically involves one-on-one in-car training that can be delivered direct from the workplace.

Ticket Smart

Ticket Smart involves Go Smarter, in partnership with local public transport operators, offering free taster tickets to eligible employees.

The details vary, depending on which operator is providing the ticket, but all of the trials allow participants to make their journey to work for free using public transport for a set period of time.

Along with the taster ticket a personal journey plan (from home to work by public transport) will be provided as part of the Travel Smart initiative, making it easy for employees to make the change.

Travel Smart

Travel Smart is about providing targeted members of staff with a personalised plan that tells them all about their travel options for getting to work. We will work with businesses to determine which employees are eligible for, and interested in receiving, their own Personalised Travel Plan. Each participant will have a Travel Plan tailored specifically to

them and will be presented with their own bespoke Travel Plan Pack recommending forward participation in either Ticket Smart or Drive Smart. This comes with an ongoing commitment to providing any additional support businesses and individuals may need.

Walk Smart

Walk Smart is a range of fun, healthy and accessible activities designed to get people thinking about the potential for walking to work; the activities are perfect for inclusion in organisation specific 'Healthy Living Weeks' or to be tied in to national campaigns. As well as dedicated support from the Go Smarter team, some of the activities available include:

Follow the Leader - Organised led walks at the workplace which are a great way to show people how much walking they can manage.

Nordic Walking - Nordic Walk taster sessions are a great way to improve posture and strength and will help to identify those who are interested in walking.

Walking challenges – An opportunity to see how much you walk at work; Go Smarter will lend pedometers and can organise a mini challenge in the workplace.

Work Smart

Work Smart is all about helping businesses to work more flexibly. There are lots of options and solutions available which can reduce both business and commuter travel, including compressed working weeks, working from home, and the use of telephone and video conferencing to reduce business travel. We will be holding quarterly Smarter Working seminars facilitated by experts, which set out in more detail the different types of Smarter Working and the benefits to businesses and employees. The seminars also cover the practicalities of implementing smarter working practices and give ideas on how to promote them to staff. These events provide a catalyst for networking opportunities between local businesses.

Project Overview – Jobseekers support

Green Light to Work

The scheme will provide low-cost scooter or electric bike hire for residents of rural Gateshead who have been offered work or training, but have no other transport option to get them there. Launched in June.

Jobseekers Tickets

Ensuring that people looking for work receive targeted assistance with their travel costs is also an important element of the programme. For some time Nexus has offered financial assistance in the shape of vouchers issued through Jobcentre Plus and other employment and training providers, which entitle their clients to free travel to interviews

and for a limited period as they start a new job. This initiative is being strengthened through a doubling of existing funding to allow more people to receive help with travel costs at a time when they most need it.

Support

The projects are supported by the Core Team, which leads on programme management, including co-ordinating activity across the partnership and monitoring progress and implementation of the projects. In addition to the programme management there is also full time communication and marketing support. This includes producing supporting materials to the delivery of the toolkit, carrying out stakeholder analysis and producing brand guidelines to ensure brand consistency and continuity across the partnership. The website has also been reviewed and phase 2 development planned for 2013.

For more information about any of the information in this Briefing or about Go Smarter to Work, please contact the Programme Manager Melanie Carls, melanie.carls@newcastle.gov.uk, 0191 211 6023.

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GO SMARTER TO WORK MEMBERS' BRIEFING No. 2 **October 2013 – Reporting on delivery 1st April – 31st August 2013**

Introduction

Go Smarter to Work began in September 2012, following the successful bid to the Department of Transport. £4.995m of funding was awarded to Tyne and Wear Integrated Transport Authority to help relieve the congestion on the A1 Western Bypass. A further £2.7m was added from local contribution. This gives a total of £7.695m to invest in measures that promote sustainable transport across Tyne and Wear, and in particular around the A1 Western Bypass. This will be achieved through the delivery of four scheme packages:

- Improved infrastructure – bus priority, cycle and pedestrian routes, and cycle parking at interchanges
- Improved travel information – real time passenger information and marketing
- Behaviour change measures through business engagement and smarter choices initiatives
- Travel support for jobseekers.

These activities are concentrated in four main employment areas – Metrocentre, Newcastle city centre and Gateshead Quays, Team Valley, and areas of Washington, where it is anticipated that an increase in the uptake of sustainable travel to work will reduce the number of short-distance, work-related trips along the A1 that are the primary cause of congestion and delay.

Package One: Infrastructure investment

The Nexus strategy for secure cycle facilities is to provide an evolving hierarchy of provision that reflects differing levels of demand at Metro stations and other key public transport locations.

- Level One - Cycle Pods - 300 black Street pods will be installed at Metro/Bus locations in Tyne and Wear. 80 Cycle Pods have been installed in Newcastle, South Tyneside and Gateshead. Consultation is taking place with North Tyneside on locations.
- Level Two - Cycle Lockers - secure cycle lockers to be installed at key Metro Stations around the Metro System. Lockers will be operated using a swipe card. The specification currently being developed.
- Level Three - Cycle Hubs - two cycle hubs are to be developed at Heworth and University (Sunderland). The proposed Cycle Hubs will be similar in design and operation to the Bury Cycle facility in Manchester. Discussions are taking place with Nexus Engineers to assist in the tender development.

The application for funding for major bus infrastructure improvements through

the DfT Local Pinch Point fund has been successful and Gateshead Council has been awarded £2,386M grant to support an overall anticipated scheme cost of £3,409M. The scheme comprises the reconfiguration and signalisation of the Kingsway/Lobley Hill Road roundabout, a northbound bus lane on Kingsway, one of the main access routes to Team Valley, and east and west bound bus lanes on the main Lobley Hill Road, between Kingsway and the roundabout with the A1.

Survey data on the number of people who access the Team Valley on foot or by bike is currently being analysed, as part of the work planned to enhance cycle and pedestrian facilities.

Package Two: Improved travel information

Nexus was successful in achieving the funding to deliver a real time data broker. The general principle is that by using GPS data from the electronics on bus ticket machines the location of the bus can be accurately calculated. This data will then be processed via the data broker. The data broker includes a prediction algorithm which calculates the time the bus will arrive at a bus stop. This data will then be supplied to users in a variety of different formats.

Nexus has established a steering group for the project inclusive of bus operators and local authority representatives. This group was established to ensure that data flows are effective and that a data sharing agreement is in place.

A full specification has been written and 8 tenders were received back and a report to Nexus Management Committee submitted for approval on 10 September 2013. The successful bidder will be appointed at Nexus Management Committee on 10 September.

Package Three – Travel Planning

In the four key employment areas Business Advisors are undertaking a Business Engagement Programme that will result in the offer of a tailored and targeted package of measures for organisations and their employees. This 'Toolkit of Measures' consists of various activities and initiatives that are designed to reflect the most appropriate mode for different types and lengths of journey. The tailoring of the Toolkit will take into account the needs and demands of the organisation being targeted and the interventions utilised to identify and influence employees' travel behaviour. Supporting measures already available in each area will also be promoted where applicable.

Metrocentre

Metrocentre's Business Advisor was appointed at the end of February. Since then, assessment of what elements of the toolkit are appropriate in the retail sector has been carried out and a work programme is being drawn up to deliver GSW to all 340 retailers.

Up until the end of August 2013, Metrocentre have engaged with five businesses that employ 760 people between them. One of these businesses has completed the inception phase and the remaining are in the planning and development phase of undertaking the staff surveys.

Metrocentre are investigating the opportunity of a Go Smarter shop to enable staff, both new and existing, to obtain travel advice. This would be part of a customer service facility for the centre and other partners including Job Centre Plus and Go North East and help in creating greater awareness of GSW and potentially provide a facility for the wider project.

NewcastleGateshead

NewcastleGateshead have engaged with thirteen local organisations that employ in excess of 50,000 people between them.

Two of the organisations have completed the inception phase and are now working with the NewcastleGateshead Delivery Manager to move on to Toolkit delivery. A further four of the organisations are expected to undertake the staff surveys in the coming month before moving into the Toolkit delivery phase.

Team Valley

Between April and August 2013, Valley Links have engaged with thirteen local organisations that employ 1,069 people between them. Six of these organisations are at the inception phase whilst the rest in development.

teamvalleylinks.com has also undergone a rebranding exercise and is now known as Valley Links. Valley Links was launched on 2 September 2013.

Washington

Washington has engaged with 25 organisations that employ in excess of 15,000 people between them. 20 of these organisations are at the inception phase whilst one of the organisations is ready to undertake Toolkit delivery. The remaining organisations are all at the development stage.

Toolkit

The toolkit of measures includes the following activities and initiatives that will be tailored on an individual organisation and employee basis:

Cycle Smart

Cycle Smart is a range of free activities and support to help employees get more active through cycling to work. As well as dedicated support from the Go Smarter team, some of the activities available include:

- **Dr Bike** - Bike safety checks, minor repairs and alterations by Dr Bike, to make the journey to work safer and more enjoyable. If Dr Bike can't fix it they will issue a bike 'prescription' to take along to a local bike shop, in turn supporting the local economy.
- **Fix it Yourself** - Bike maintenance workshops for those who want to learn more about looking after their bike; courses are delivered by experienced mechanics and content covers basic bike checks, puncture repair, brakes and gears.
- **Cycle Training** - Cycle training sessions to help those who would like to cycle more but aren't confident enough. Cycle trainers will be providing cycling instruction and training to employees - three levels will cover those who are a complete beginner, haven't cycled for a while or are just looking to brush up their skills.

Drive Smart

Drive Smart is all about giving people opportunities to drive more efficiently when other forms of transport are not an option for their journey to work, contributing to the reduction in carbon emissions that was a secondary objective of the LSTF bid. We will be investing in schemes that are already up and running as well as funding training opportunities:

- **Car Sharing** - We will be assisting businesses in joining existing car sharing scheme, or setting up one of your own.
- **Smarter Driving Courses** - Smarter Driving courses will be provided for those employees where the car is shown to be the only option for the journey to work. This typically involves one-on-one in-car training that can be delivered direct from the workplace.

Ticket Smart

Ticket Smart involves Go Smarter, in partnership with local public transport operators, offering free taster tickets to eligible employees.

The details vary, depending on which operator is providing the ticket, but all of the trials allow participants to make their journey to work for free using public transport for a set period of time.

Along with the taster ticket a personal journey plan (from home to work by public transport) will be provided as part of the Travel Smart initiative, making it easy for employees to make the change.

Travel Smart

Travel Smart is about providing targeted members of staff with a personalised plan that tells them all about their travel options for getting to work. We will work with businesses to determine which employees are eligible for, and interested in receiving, their own Personalised Travel Plan. Each participant will have a Travel Plan tailored specifically to them and will be presented with their own bespoke Travel Plan Pack recommending forward participation in either Ticket Smart or Drive Smart. This comes with an ongoing commitment to providing any additional support businesses and individuals may need.

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- **Follow the Leader** - Organised led walks at the workplace which are a great way to show people how much walking they can manage.
- **Nordic Walking** - Nordic Walk taster sessions are a great way to improve posture and strength and will help to identify those who are interested in walking.
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Work Smart is all about helping businesses to work more flexibly. There are lots of options and solutions available which can reduce both business and commuter travel, including compressed working weeks, working from home, and the use of telephone and video conferencing to reduce business travel. We will be holding quarterly Smarter Working seminars facilitated by experts, which set out in more detail the different types of Smarter Working and the benefits to businesses and employees. The seminars also cover the practicalities of implementing smarter working practices and give ideas on how to promote them to staff. These events provide a catalyst for networking opportunities between local businesses.

Project Overview – Jobseekers support

Green Light to Work

The scheme was launched in June and provides low-cost scooter or electric bike hire for those who have been offered work or training, but have no other transport option to get them there. The scheme has been extended to cover the whole of Tyne & Wear after referrals and take up were low in the original target area. Between April and August there were 9 referrals with only 3 qualifying for a scooter.

Jobseekers Tickets

Ensuring that people looking for work receive targeted assistance with their travel costs is also an important element of the programme. For some time Nexus has offered financial assistance in the shape of vouchers issued through Jobcentre Plus and other employment and training providers, which entitle their clients to free travel to interviews and for a limited period as they start a new job. This initiative is being strengthened through a doubling of existing funding to allow more people to receive help with travel costs at a time when they most need it. Between April to August 2013 there were 669 weekly vouchers issued and 79 monthly vouchers issued.

Support

The projects are supported by the Core Team, which leads on programme management, including co-ordinating activity across the partnership and monitoring progress and implementation of the projects. In addition to the programme management there is also full time communication and marketing support.

Marketing Campaigns

The Go Smarter to Work brand awareness campaign is a period of robust communications that covers the four key employment areas in Tyne & Wear and is currently running for two weeks in September 2013 (16 – 30 September) and also into October 2013. The campaign has consisted of radio advertising; outdoor media, including bus backs, billboards and bridge banners; and social media, including the Go Smarter website and a Facebook page. The Go Smarter website has also been refreshed and relaunched in September, in preparation for this campaign.

A further campaign will follow in October that includes three strands of activity: continuing and reinforcing the brand awareness; active travel around Schools and International Walk to School Month; and a focus on car sharing for Go Smarter to Work, with messaging around the benefits of car share and promotion of the Share Smarter website.

For more information about any of the information in this Briefing or about Go Smarter to Work, please contact the Programme Manager Melanie Carls, melanie.carls@newcastle.gov.uk, 0191 211 6023.



DATE: 28 November 2013

SUBJECT: Tyne Pedestrian and Cyclist Tunnels (TPCT) – Phase 3 Improvement Works Update

REPORT OF: Project Director to the New Tyne Crossing

PURPOSE OF REPORT

This report informs members of progress with the Phase 3 Improvement Works and the associated arrangement to maintain this cross Tyne link for users.

RECOMMENDATIONS

The Authority is recommended to note the progress made to date.

BACKGROUND DOCUMENTS

Report dated 22 July 2010 TPCT – Investment Proposals

CONTACT OFFICERS

Paul Fenwick

paul.fenwick@twita.gov.uk

0191 211 6058

IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive



1 Executive Summary

- 1.1 This report informs members of progress on the Phase 3 Improvement works.

2 Introduction and background

- 2.1 The major maintenance liability for the TPCT was retained by the Authority in the Project Agreement entered into with TT2 Ltd on 23 November 2007. On 2 February 2010 the TWITA gave approval for the award of a contract for the modernisation of the lifts. Works duly started on site in March 2010 and were completed in December 2010. In the meantime, the escalators continued to experience difficulties (and in summer 2011 the last escalator in working order failed and has not operated since).
- 2.2 In July 2010 the Authority considered the future for the TPCT and in reaffirming their role as a sustainable and important piece of transport infrastructure on Tyneside, set a budget of £6m for the Phase 3 Improvement Works. These works primarily entail the removal of 2 of the 4 wood tread escalators and the installation of 2 inclined lifts and the complete overhaul/replacement of the Mechanical & Electrical systems.
- 2.3 The TPCT is a Grade II Listed Building and a Conservation Plan was developed by the New Tyne Crossing (NTC) Project Team in 2009. Any works to the fabric of the TPCT requires Listed Building Consent. The details for the Phase 3 Improvement Works were developed in early 2011 in sufficient detail to accompany an application for Listed Building Consent (LBC). An application was lodged with the Local Planning Authorities (LPAs) in April 2011. The application was given careful consideration and scrutiny by the LPAs and LBC was finally granted in October 2011 but with a number of conditions. The major elements of the conditions related to the inclined lifts – the major change to the TPCT in the Phase 3 Improvement Works.
- 2.4 The OJEU Notice for the procurement of the main contractor was issued on 18 November 2011 and the tender documents issued to the short-listed contractors on 20 July 2012. The tender documents returned on 3 September 2012 and were evaluated by the project team.
- 2.5 Details of the tender evaluations were presented in a confidential report to the Delegated Committee of the Authority on 20 October 2012. Approval was given to accept the tender submitted by GB Building Solutions (GBBS) and the overall



budget was adjusted to £6.5m to reflect the tender returns and price fluctuations since July 2010. GBBS commenced works on the 20 May 2013 when the tunnels were closed to the public.

3 Progress – since September 2013

- 3.1 Photographs of work undertaken by GBBS to date will be available at the meeting. The current programme indicates completion of the Phase 3 works to be 12 August 2014.
- 3.2 Following the completion of the removal of the asbestos contaminated lining material on the underside of the rotunda roofs consideration is being given to potential options for the reinstatement of the internal walls. These include leaving them at a reduced height. Any option other than full reinstatement to the underside of the roof will require approval from the Local Planning Authorities (LPAs). GBBS have lifted all centre paving slabs in the pedestrian tunnel and will refurbish as many as possible for re-use. The shortfall will be made up by new flags produced to match the original paving slabs. At this time it is considered that approximately 25% will be salvaged. GBBS have also been investigating the best configuration for routing the services which need to be located under the paving slabs. This involves lifting a significant number of side paving slabs but as this is proving to be more difficult than foreseen at tender these services will be concentrated in the cyclist tunnel.
- 3.3 The removal of the Warerite panels in the inclined escalator shafts and the lower landings is complete. Attempts to clean the panels for reinstatement were unsuccessful because the surface finish has deteriorated too much. They will be replaced with new panels made of similar equivalent material. The complete removal of the panels has meant that the inclined shaft main structure is now fully exposed. Investigations conducted on the caulking and bolt packing to the inclined lift shaft cast iron segments indicated that there was some asbestos present but in a safe and stable condition. Consideration is being given to the method for preparing the cast iron segments for their corrosion protection system. Work has started on the extraction of the west side escalators. Arrangements have been made for South Shields Museum to be given a number of the escalator steps.
- 3.4 The GBBS and the NTC communications team undertook a site safety awareness session with children from Stephenson Memorial School, Howdon which included a safety poster competition. The 4 winning posters have been reproduced and are



now displayed on the Howdon side site hoardings.

4 Shuttle Bus and Night transport service

- 4.1 To maintain the pedestrian/cycle cross Tyne link, a Shuttle Bus Service has been provided. It is operating between the hours of 06:00 and 20:00 every day until the tunnels are opened again for public use. The service is timetabled and free of charge for users and runs from Tyne View Terrace, East Howdon to Tyne Street, Jarrow (effectively rotunda to rotunda). User reaction to the service continues to be favourable.
- 4.2 TT2 Ltd is continuing to provide a driver and a suitable vehicle that can carry three people and their bicycles at a time throughout the night. Commuters wishing to use the scheme are required to pre-register and agree to abide by the terms and conditions of use of the scheme: abuse will result in a withdrawal of the service to the individual(s) involved. To date 79 people have pre-registered with the Authority to use this night transport service (up 15 since September) and, on average, there are still 14 people per night using it. User reaction to the service continues to be very positive.

5 Next steps

- 5.1 The Phase 3 works will be overseen by the NTC team based in TT2 Ltd's offices and the Project Director will report regularly on progress to the Authority.
- 5.2 The NTC communication team continue to action and maintain the Communication Plan, including continuing a dialogue with the adjacent communities, their representatives, pedestrian and cyclist groups and organisations and the local authorities.

6 Potential impact on objectives

- 6.1 The refurbishment/improvement of the TPCT will secure the future operation of this important transport link across the River Tyne. It provides specifically for pedestrians and cyclists and as such contributes positively to addressing climate change by encouraging non-motorised modes of travel. It also has the benefit of



helping to reduce the number of motor vehicles on the roads – particularly on residential roads – to the benefit of local communities. The TPCT is also positive in terms of economic development and regeneration because it aids access to jobs in the A19 corridor for those who do not own a car.

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REPORT FOR INFORMATION

DATE: 28 November 2013

SUBJECT: 2013/14 CAPITAL PROGRAMME – SECOND QUARTERLY REVIEW

REPORT OF: THE TREASURER, ITA AND DIRECTOR OF FINANCE AND RESOURCES,
NEXUS

PURPOSE OF REPORT

To advise Members of the overall performance of the 2013/14 Capital Programme, including delivery to the end of the second quarter. The report covers the diverse range of activities for which the ITA is the accountable body.

RECOMMENDATIONS

The ITA is asked to note the position with regard to the 2013/14 Capital Programme at the end of the second quarter, as outlined in Section 2.

BACKGROUND DOCUMENTS

Metro Capital Programme 2013/14
2013/14 Non-Metro Capital Programme
2013/14 Capital Programme – First Quarterly Review

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral

1 Executive Summary

- 1.1 This report sets out the overall performance of the 2013/14 Capital Programme, including delivery to the end of the second quarter. The report covers the diverse range of activities for which the ITA is the accountable body.

2 Introduction and Background

- 2.1 The projected outturn for the 2013/14 capital programme as at the end of the second quarter is set out below:-

Expenditure	Latest Approved 2013/14	Projected Outturn 2013/14	Quarter 2 Expenditure 2013/14
	£m	£m	£m
Metro Asset Renewal Plan	42.204	38.692	18.289
Metro Ticketing and Gating	3.748	3.748	0.203
New Tyne Crossing	0.585	0.585	0.135
Tyne Pedestrian and Cycle Tunnel	4.500	4.000	0.940
LTP Integrated Transport Block Allocation	10.053	10.053	5.665
NESTI Project	1.987	1.987	0.231
LSTF Projects	1.575	1.275	0.111
Better Bus Area Fund	0.889	0.889	0.432
Total Expenditure	65.541	61.229	26.006

3 Metro Asset Renewal Plan

- 3.1 This reflects the fourth year of our ambitious eleven year programme to renew the Metro network where investment is directed towards those assets where there is greatest need, recognising that logistical and other planning processes also play a significant role in determining where resources are deployed in fulfilling the objectives of Nexus' three year rolling programme of delivery.

The ITA approved the Metro Asset Renewal Programme for 2013/14 in January 2013 totalling £49.269m to DfT (including a sizeable amount of over-programming which was to be addressed once a more logical sequence of programme delivery in 2013/14 and 2014/15 was determined). Following finalisation of these planning assumptions including how the 2012/13 programme actually out-turned, the Metro ARP capital programme was revised to a new level of £41.348m which the Authority noted at its July 2013 meeting. During the second quarter, the budget has been revised upwards



REPORT FOR INFORMATION

to £42.204m largely reflecting the negotiated contract settlement for works at North Shields, Howdon and Meadow Well stations which will be funded from a specific reserve earmarked for this purpose.

Actual expenditure as at Quarter 2 of 2013/14 is £18.289m, as detailed in Appendix A. At this level, over 50% of the target DfT spending level has already been spent to the end of Quarter 2. This includes the majority of spending incurred during the August blockade where track and drainage systems were to be completely renewed in the 'Central Corridor'.

The forecast for the year is £38.692m which although slightly adrift of the revised budget is comfortably in excess of the minimum expenditure target for grant purposes for 2013/14 of £31.752m and the target spend of £35.197m in relation to the grant offer from DfT for 2013/14 (prior to any virement adjustments which are allowable under the terms and conditions of Metro Rail Grant). This KPI is monitored on a 4 weekly basis and reported to both the Nexus Board and DfT along with the quarterly reports to the ITA and its Metro sub-committee which last met on 7 November 2013 and considered other aspects of delivery including overall programme affordability.

3.2 A range of outputs are proposed for delivery during the course of the fourth year of the delivery of the Metro Asset Renewal Plan. To the end of Quarter 2 the following key projects have been delivered:-

- Completion of drainage and track replacement works in the Central Corridor from South Gosforth to Jesmond
- Further progress with $\frac{3}{4}$ life Metro car project (with 32 cars completely refurbished by the end of Quarter 2 of 2013/14);
- Progress towards the implementation of the Master Plan of Ducting, Cable and Fibre replacement projects;
- Procurement of a new Rail track tamping machine
- Progress towards implementation of various ICT projects, including the release of tender documentation relating to the safety critical radio project;
- Completion of Escalator replacements at Gateshead and Regent Centre;
- Further replacement point motors installation;
- Progress towards refurbishment works at stations, including South Gosforth, West Jesmond, Ilford Road and airport stations.



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By the end of 2013/14, delivery will have translated into :-

- An anticipated 45 metro cars completely refurbished;
- Completion of Cable replacement project and significant progress toward the Ducting and Fibre replacement projects;
- Completion of drainage and track replacement works in the Central Corridor from South Gosforth to Jesmond;
- Replacement of the Rail Track Tamping Machine;
- Completion of on-going Station refurbishment including works at Walkergate, South Gosforth, Ilford Road, West Jesmond and airport stations;
- Completion of various lift and escalator works including new escalators to the Metro concourse at Gateshead and Regent Centre and new lifts at Regent Centre and St. James.

4 Metro Ticketing and Gating

4.1 The 2013/14 Ticketing and Gating project has a revised budget and projection of £3.748m at Quarter 2, following slippage in the programme during 2012/13 reported to the Metro Sub Committee at its meeting on 11th July 2013. Virtually all external grants have been fully applied to this project and the majority of costs still to be incurred will now be funded from Nexus earmarked capital reserves.

As at the end of the second quarter, all 225 new Ticket Vending Machines had been deployed at the 60 stations across the Metro network. Gate lines at 11 stations have also been installed and the validator installations (194/196) are close to completion. The remaining stations to be gated at Byker and Chichester will be completed later in the year.

The significant 'Touch in Day' milestone is expected to be achieved early in the third quarter as well (at the time of writing this report it has in fact been achieved subject to testing), with the project then beginning to close in on the Card Management System and Website deliverables. Roll out of technology and products are in line with the programme of events previously reported.



5 New Tyne Crossing

5.1 The construction works on the New Tyne Crossing are now complete and the capital programme in relation to this major ITA scheme is therefore significantly smaller than it has been in recent years. The budget requirement of £0.585m for 2013/14 relates to remaining final elements of environmental works and monitoring, professional fees for work towards achieving final completion, costs associated with land transfer work, and provision made for land compensation claims and their assessment.

6 Tyne Pedestrian and Cycle Tunnel

6.1 Over the second quarter of the 2013/14 financial year the main contractors, GBBS, have completed the additional work to remove the asbestos contaminated lining material on the underside of the rotunda roofs. The rotundas were certified as being 'clean' and the scaffolding removed to allow the main works programme to proceed by end of August 2013. Removal of the Warerite panels in the inclined escalator shafts and the lower landings is complete. Work on stripping out the existing light fittings in the 2 tunnels is complete and the escalator motors have been boxed in to protect them from the main works operations. GBBS have issued a revised programme which indicates completion of the Phase 3 works to be 12 August 2014. As a result, some of the original 2013/14 budget has been reprofiled into 2014/15 to reflect this revised programme.

To maintain the pedestrian/cycle cross Tyne link, a Shuttle Bus Service has been provided. It operates between the hours of 06:00 and 20:00 every day, is timetabled and free of charge for users and runs from Tyne View Terrace, East Howdon to Tyne Street, Jarrow (effectively rotunda to rotunda). TT2 Ltd is providing a night service consisting of a driver and a suitable vehicle that can carry three people and their bicycles at a time throughout the night. User reaction to both of these services is very positive.

The budget requirement for 2013/14 is now estimated to be £4.000m, the majority of which relates to the cost of the actual refurbishment works and will be funded through Prudential Borrowing or earmarked Tyne Tunnel revenue reserves. The revenue costs associated with the repayment of this borrowing are already built into the overall financial model for the New Tyne Crossing Project and considered affordable as they can be met by tolls on the vehicle tunnels.



7 Nexus / LTP Public Transport Projects

Local Transport Plan Integrated Transport block funding of £12.392m is available to the ITA in 2013/14. This funding is allocated as follows:

	2013/14
LTP Integrated Transport Block	£m
Gateshead	1.775
Newcastle	2.133
North Tyneside	1.371
South Tyneside	1.089
Sunderland	2.141
Total	8.509
Nexus/LTP Public Transport Allocation	
Nexus LPT Allocation	3.883
Carried Forward from 2012/13	0.301
Total	4.184
Grand Total	12.693

The £8.509m element of the Integrated Transport Block is paid quarterly to the Tyne and Wear Districts on receipt of the grant from DfT. £4.255m has been paid to Districts as at quarter 2.

A breakdown of the Nexus/Public Transport Allocation of the LTP Integrated Transport Block for 2013/14 is illustrated in the table below:

	Approved 2013/14	Quarter 2 Spend
	£m	£m
Gateshead	0.156	-
Newcastle	0.258	-
North Tyneside	0.120	-
South Tyneside	0.138	-
Sunderland	0.375	-
Nexus	0.341	0.063
LTP Core Team	0.155	0.078
Metro ARP local contribution (included within ARP Programme at Appendix A)	2.640	1.829
Total	4.184	1.892



£0.301m of LTP Public Transport Allocation to Districts was unclaimed at the end of 2012/13. This has been carried forward and is available for use in 2013/14, as is permissible under the grant conditions, so is included within the approved figures in the table above.

Quarter 2 expenditure has been reported at £1.892m inclusive of the local contribution for the Metro ARP. LTP claims from Districts for the public transport allocation are due later in the year so at this point in time are shown as nil.

8 NESTI

8.1 The ITA acts as accountable body for the North East Smart Ticketing Initiative (NESTI) which is a programme of investment in smart ticketing infrastructure across the North East. The programme is governed via a collaboration agreement which was entered into by all 12 local authorities plus Nexus and the ITA with a bi-monthly programme board to steer progress and bi-annual reporting to ANEC. Nexus acts as programme manager for NESTI.

The NESTI project scope has expanded to incorporate a Regional Card Management System (CMS), Web Retail and Part 11 solution that enables remote downloading of smart tickets. The implementation of these deliverables has begun, with completion expected within this financial year.

The current year's programme includes:

- Implementation of the Retail Distribution Network project and Card Management System integration costs.
- The implementation of the final aspect of the Regional Retail Infrastructure, namely procurement and installation of bus stop validation equipment
- A provision for further and higher education integration projects similar to that previously agreed for Newcastle University where NESTI is working with University such that its own smart card can also be used in the public transport arena.
- Scope for the South East Northumberland Multi-modal Smartcard change request agreed at the partnership board meeting on 14th December 2012.

The scheme will utilise project contingency in order to fund on-going revenue costs associated with the CMS, Website and Part 11 solution for the 2016/17 and



2017/18 financial years as agreed by ANEC.

9 Local Sustainable Transport Fund (LSTF) and Better Bus Area Funding (BBAF)

Schools Go Smarter (LSTF - £0.595m)

The capital works in the programme for 2013/14 are mainly comprised of the School Links and Grants to Schools work streams. School grants provides funding for bike sheds, to provide safe places for pupils to store their bicycles, and other works including new paths, pool bikes or tools. School links funds infrastructure works in the Districts making it easier to cycle or walk to school, such as upgrading cycle paths or installing new pedestrian crossings. Claims from the Districts to the end of Q2 have been low as there are a number of schemes awaiting final sign off but the full budget allocation is expected to be required by the year end.

Go Smarter to Work (LSTF - £0.680m)

Capital works included within the programme for 2013/14 are designed to deliver infrastructure improvements including enhancing cycle and pedestrian facilities at Team Valley to encourage more walk and cycle trips and bus priority investment at Team Valley to encourage modal shift to public transport. Improved information will also be delivered through use of open data sources and Real Time Passenger Information to enable the transport user to access more reliable and up to date details about transport services. Expenditure to the end of Q2 is low but this is in line with projections, as the majority of the infrastructure improvements are due to start on site in 2014. Some of the funding in relation to RTPi has been reprofiled to the 2014/15 financial year to reflect more accurate programming.

Better Bus Area Funding (BBAF - £0.889m)

The budget for 2013/14 is in relation mainly to the completion of the installation of equipment for the Intelligent Transport Solutions element of the programme (which includes CCTV and Automatic Number Plate Recognition) and to improvements at bus interchanges to be delivered by Nexus. Expenditure to the end of quarter 2 is £0.432m, and works are on target to be complete by the end of the financial year.



10 Capital Programme Financing

The following table sets out how the ITA's capital programme for 2013/14 will be financed, based on the projected outturn as set out in this report:-

Funding Type	Funding Allocated in 2013/14	
	£m	£m
Grant		
Metro Rail Grant	34.102	
Smart Ticketing	0.322	
LTP Integrated Transport Block	8.509	
LTP Public Transport Block	4.184	
LSTF	1.275	
Better Bus Area Funding	0.889	
Total Grant		49.281
Prudential Borrowing		4.585
NESTI		1.987
Reserves		5.376
Total Funding		61.229

11 Next Steps

The programme will continue to be monitored closely throughout the financial year and reported to the ITA on a quarterly basis.

12 Potential impact on objectives

There is no impact on objectives as a result of this report.



Appendix A – Metro Asset Renewal Plan

Asset Category	Latest Approved Budget	Projected Outturn 2013/14	Quarter 2 Spend 2013/14
	£m	£m	£m
Civils	6.453	5.702	2.627
Communications	5.748	5.447	1.215
Depot Equipment	0.012	0.015	0.007
Level Crossings	0.521	0.143	0.055
Mechanical and Electrical	2.170	2.044	1.206
Metro Cars	5.872	5.885	3.012
Miscellaneous	0.809	0.843	0.656
Overhead Line	0.470	0.093	0.031
Permanent Way /Track	9.903	9.321	6.641
Plant	2.001	1.744	0.274
Power	0.820	0.720	0.210
Signalling	2.298	2.137	1.104
Stations	5.127	4.598	1.251
Total Approved 2013/14 Capital Programme	42.204	38.692	18.289



REPORT FOR INFORMATION

DATE: 28th November 2013

SUBJECT: NEXUS ANNUAL EXPENDITURE AND ACTIVITY ANALYSIS REPORT 2012/13

REPORT OF: THE DIRECTOR GENERAL OF NEXUS

PURPOSE OF REPORT

To provide the ITA with financial and statistical information relating to Nexus' services as part of its annual reporting processes.

RECOMMENDATIONS

To note the attached report, 'Nexus Annual Expenditure and Activity Analysis Report 2012/13.

BACKGROUND DOCUMENTS

Nexus Annual Expenditure and Activity Analysis Report 2012/13.

CONTACT OFFICERS

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive

1	Executive Summary
1.1	This report provides members with an analysis of Nexus expenditure and activity at district level during 2012/13. It builds on previous reports since 2009/10.
1.2	The basis of the report has also been used to discuss Levy funded expenditure with District Treasurers, in particular whether any alternative to a population based share of local resource inputs to Nexus and the ITA is appropriate.
2	Introduction and Background
2.1	As with other Passenger Transport Executives and Travel Concession Authorities, Nexus reports on its financial performance annually. Its statement of accounts is subject to external audit and for 2012/13, the 'true and fair view' and 'use of resources' audit opinions were unqualified.
2.2	When the levy was discussed with district Leaders in December 2009, the Leadership Group requested more information on the services being provided by Nexus at a local authority level. In particular, there was some concern from Leaders that there was no transparency on how services funded from the Nexus budget impacted on individual authorities. In response, a proposal for capturing and reporting appropriate information was discussed with and agreed by District Treasurers when they met in April 2010. The initial report was produced covering expenditure and activity analysis for 2009/10 and has been followed up in subsequent years.
2.3	This updated report, the 'Nexus Annual Expenditure and Activity Analysis Report 2012/13' has been prepared using similar principles to those adopted for the previous two reports.
3	Summary of findings
3.1	The ITA is responsible for developing and overseeing the implementation of public transport policies at a Tyne and Wear level.
3.2	Nexus advises the ITA on policy development and has statutory responsibility for their implementation, again at the Tyne and Wear level. Programme development and prioritisation therefore also takes place at the Tyne and Wear level in conjunction with LTP processes and procedures.
3.3	It is however recognised that the ITA levy is generated locally based on population of constituent districts and therefore transparency and accountability requires the ITA and Nexus to be able to demonstrate value for money in the use of resources to each of the constituent authorities in the Integrated Transport



REPORT FOR INFORMATION

	Area.
3.4	<p>This is not an exact science given that existing processes work at the ITA/sub-regional level and expenditure profiles are, for example, additionally influenced by:-</p> <ul style="list-style-type: none">• the economies of scale if services are provided at a Tyne and Wear level including the extent to which Nexus can use the levy in order to lever additional funds;• the high proportion of cross boundary services between the constituent authorities and neighbouring unitaries;• the different characteristics within the constituent authorities in respect to public transport demand and supply;• the nature and extent of bus operators commercial networks; and• population densities, socio-economic geography and land use planning decisions.
3.5	<p>Nonetheless broad conclusions can be drawn, although it is important to recognise that information provided at a district level will need careful examination and could warrant certain caveats in order that inaccurate interpretations or incorrect comparisons are not made.</p>
3.6	<p>Bearing this in mind, in accordance with a previous commitment given to the ITA, the Acting Clerk and Treasurer and Nexus' Director of Finance and Resources have worked with district colleagues in order to estimate the amount of 'benefit derived' by each district from services provided by Nexus, relative to their resource input i.e. the Levy.</p>
3.7	<p>In May 2012, District Treasurers were advised that whilst adopting a strict formulaic approach to determining the amount of 'benefit derived' relative to the Levy was possible, and that this could result in a perception that some districts 'gained' relative to their input whilst others 'lost' it was also extremely important to recognise:-</p> <ul style="list-style-type: none">• The cross boundary nature of passenger flows means that consideration of the journey being undertaken, the reason for it and the origin of the person making it should be taken into account e.g. it is probable that both Sunderland and South Tyneside will have derived benefit from a Sunderland resident boarding a bus in South Tyneside.• The value of services provided by Nexus over and above those which are funded from the Levy, in particular the Tyne and Wear Metro system, which



REPORT FOR INFORMATION

	<p>penetrates all five districts.</p> <ul style="list-style-type: none">Regarding this latter point, Nexus' gross expenditure requirement in 2012/13 was some £168.6m. Of this, £56.1m was funded from commercial revenues, whilst £110.8m was funded from various grants, including the release of capital grants deferred which offset depreciation charges on those fixed assets which were in the past financed by government grant. Given that the Levy accounted for £66.9m of grant income, almost 60% of Nexus' gross expenditure requirement was therefore funded from outside of the Levy.
3.8	<p>Furthermore, in the context of attempting to alter the level of resource input from the districts, Treasurers were also advised that the Levy must be allocated in line with regulations that determine it is calculated on the basis of population. Treasurers were also advised that an alternative basis could be explored by way of a change in the regulations but that any change in regulation must demonstrate a need for change, the principles that underpin the new approach, a level of support for the approach from the Tyne and Wear area as well as other ITA areas that would be affected by the changes and consulted on the change in regulations.</p>
3.9	<p>No subsequent formal request for any change in approach has been received from any of the districts.</p>
4	Commercial Undertakings
4.1	<p>Whilst this report necessarily concentrates on patronage across the modes of transport that Nexus either directly provides (Ferry) or commissions from third parties (Metro and Secured Buses) there is a recognition in the report that commercial patronage plays a very important role in the delivery of transport services within Tyne and Wear.</p>
4.2	<p>Whilst continuous monitoring surveys have been long established on commercial bus operations and therefore an estimate of commercial journeys is able to be provided, it is not possible at this point in time to provide any analysis of commercial taxi journeys undertaken within Tyne and Wear.</p>
5	Next Steps
5.1	<p>The findings and analysis will be shared with District finance and transport officers.</p>
6	Potential impact on objectives



6.1 | Refer to impact on objectives section on page 1 of covering report.

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Annual Expenditure and Activity Analysis 2012/13



Introduction

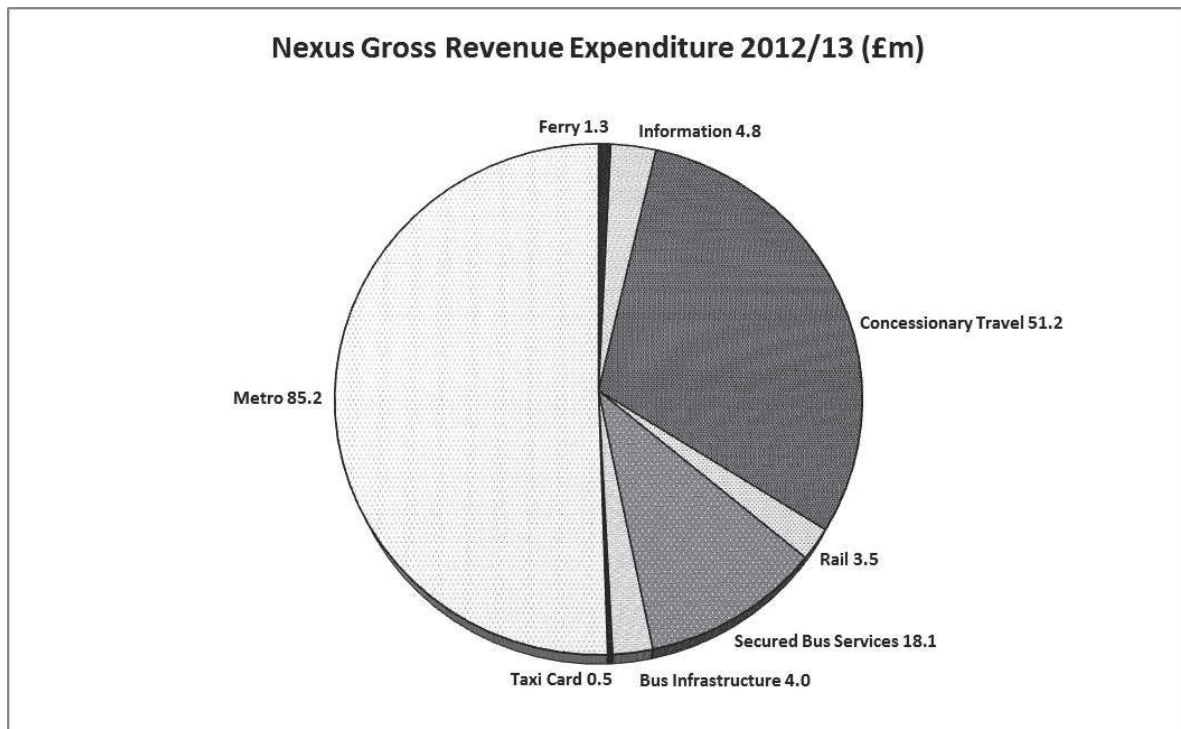
Nexus is the Tyne and Wear Passenger Transport Executive (PTE) established under the Transport Act 1968 (as amended) and administers funds in order to implement passenger transport policies on behalf of the Tyne and Wear Integrated Transport Authority (ITA).

Our mission statement is 'Building for tomorrow through better transport today'.

Working within the policy remit set for us by the ITA, and in accordance with the Tyne and Wear Local Transport Plan developed with our partners, Nexus provides, plans and promotes public transport to improve the economic prosperity of Tyne and Wear, and the daily lives of its people. It also looks to the future, creating the sustainable travel choices people will want to use in decades to come. There are few people living in Tyne and Wear whose daily lives are not touched in some way by public transport, and therefore the activities of the ITA and Nexus, through getting people to work, children to school, students to colleges, allowing access to shops, medical facilities or leisure attractions.

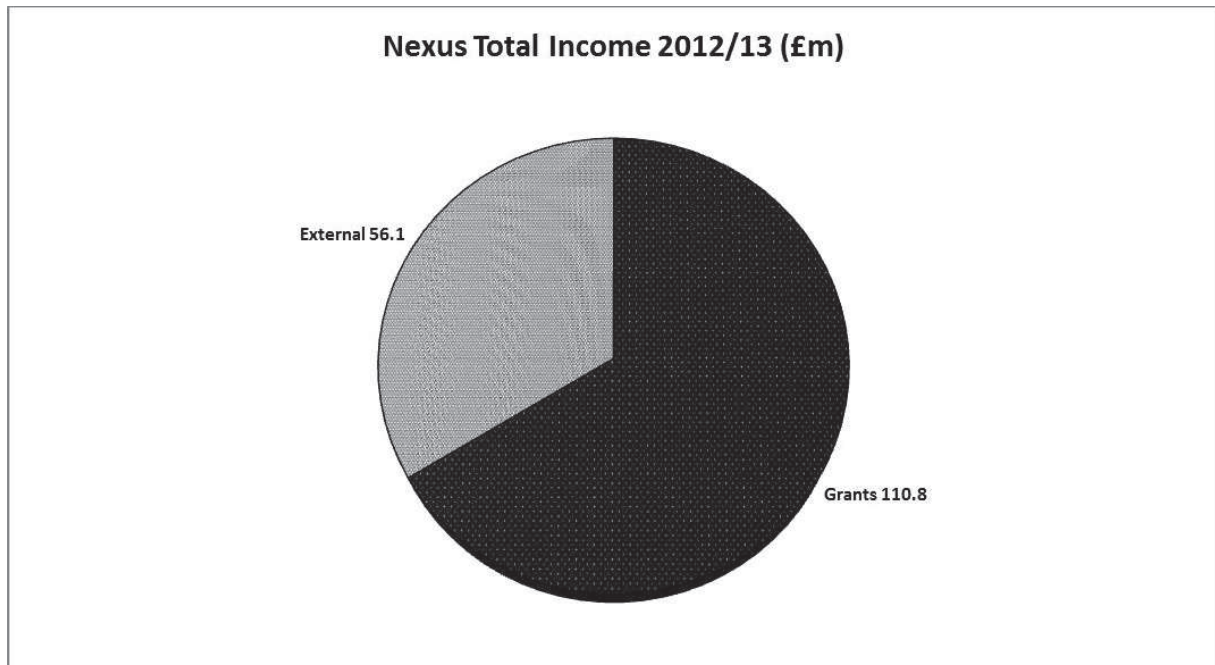
Nexus Gross Revenue Expenditure 2012/13

Nexus' Gross Revenue Expenditure during 2012/13 amounted to £168.6m. This enabled the provision of the services shown in chart below.

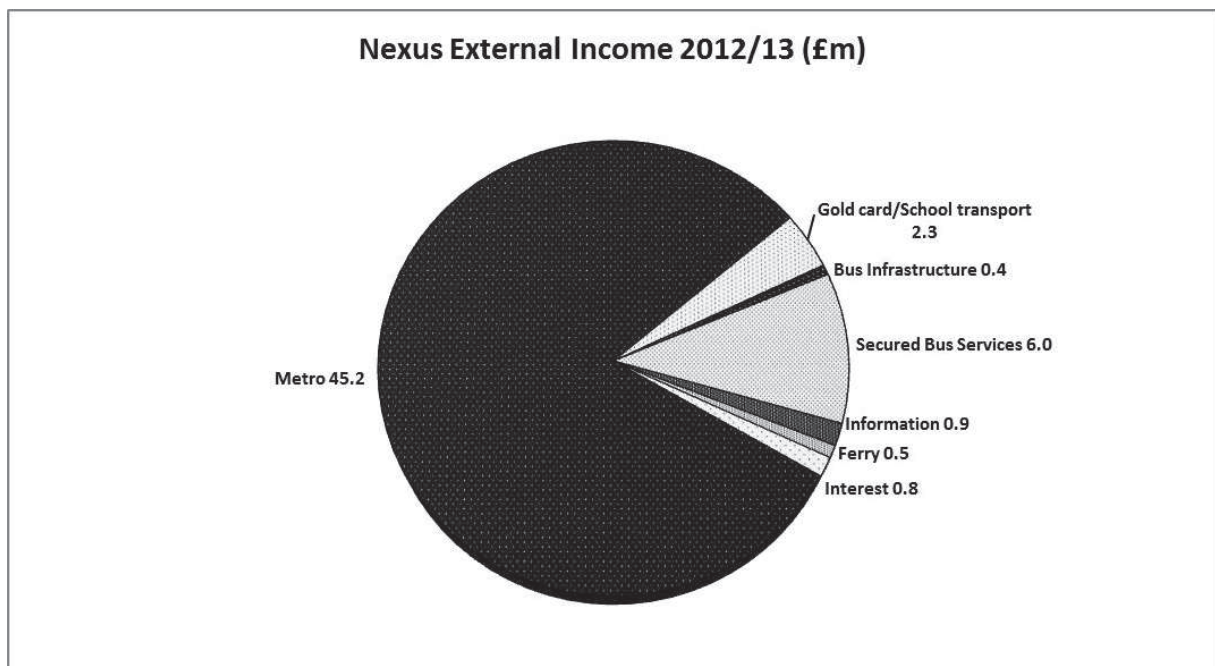


Nexus Income 2012/13

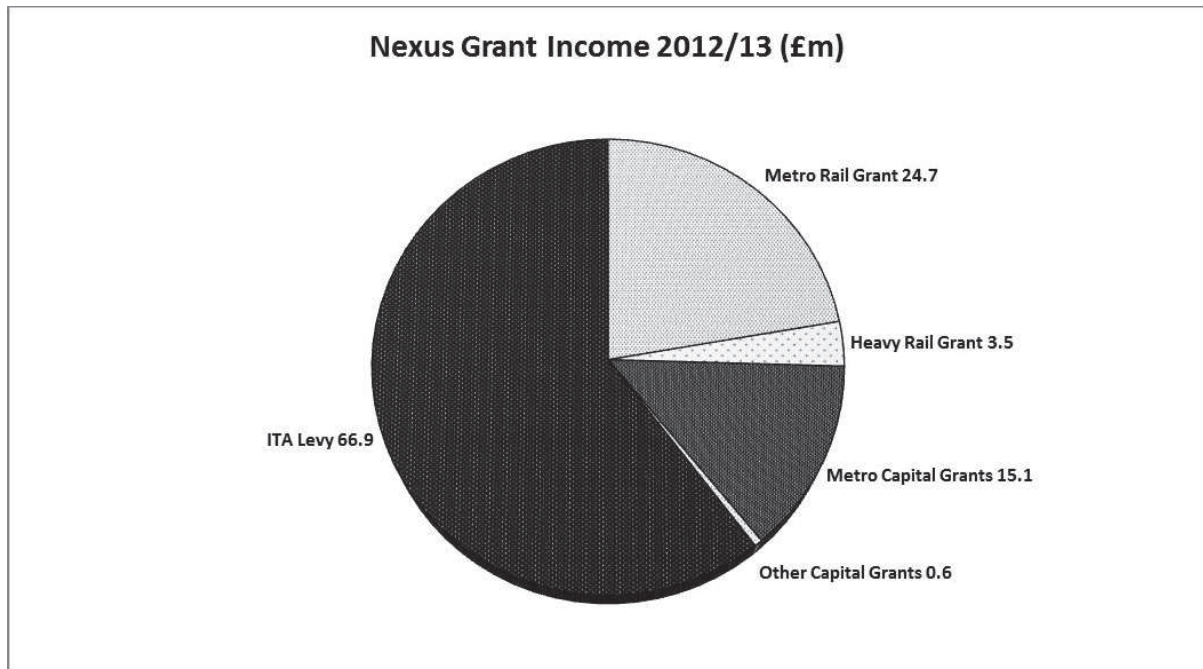
Nexus' income in 2012/13 amounted to £166.9m. One third of the total income was provided through external funding and two-thirds through grant funding.



The chart below details the breakdown of Nexus external income during 2012/13:-



The chart below shows the sources of the grant funding:-



The largest source of grant funding received by Nexus during 2012/13 (around 60% of all grants) was from the ITA and this funding provides a direct link between the local taxpayer and the services that Nexus provides. This is discussed in more detail below.

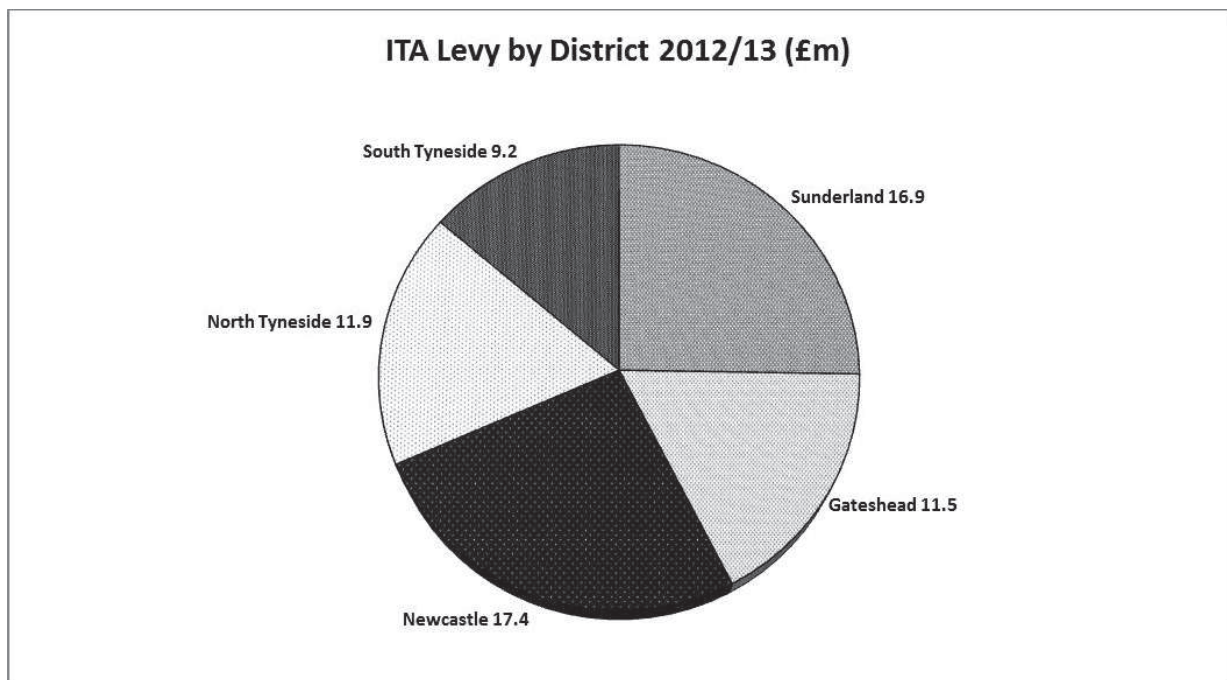
Other sources of grant funding in 2012/13 were provided for a specific purpose:-

- Metropolitan Rail Grant – from DfT to support the operating costs of the Tyne and Wear Metro
- Heavy Rail Grant – from DfT to support the operating costs of the Northern Rail franchise

Since 2011/12, the ITA Levy funding has included monies previously paid direct to Nexus by the DfT to support the costs of administering the Concessionary Travel Scheme which is now paid through the Local Authorities in Tyne and Wear. During 2010/11, the last occasion when the grant was paid direct it amounted to £5.7m.

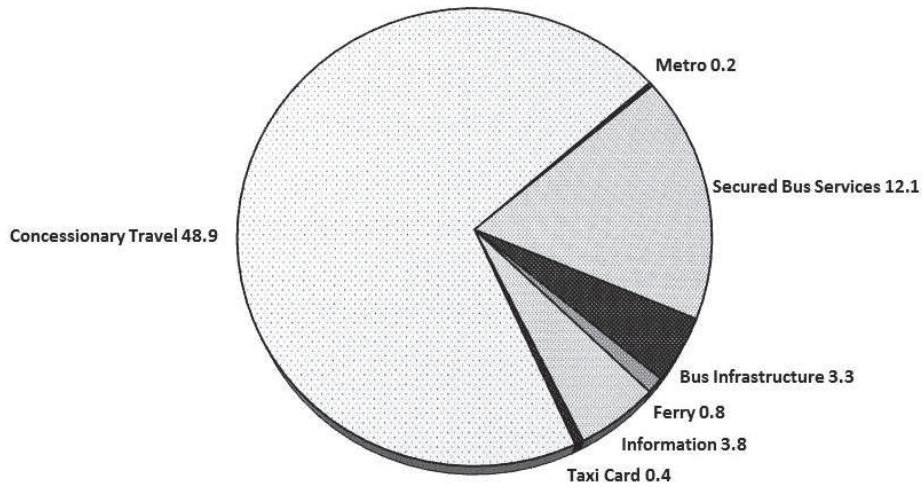
The ITA Levy

The ITA agrees a budget and then issues a levy for each financial year to the constituent councils within Tyne and Wear so as to meet a proportion of its liabilities/expenses. The apportionment of the levy is calculated by reference to the total resident population of each Council. This is done in accordance with Section 7(5) of the Transport Levying Bodies Regulations 1992 where, in Section 3(a), Passenger Transport Authorities established by s28 of the Local Government Act 1985 (now renamed ITA's as a result of the Local Transport Act 2008), are identified as levying bodies. In the case of the Tyne and Wear ITA, it set a levy for the financial year 2012/13 of £70.2m, of which £66.93m, including grant previously paid direct to Nexus by the DfT to cover costs associated with the Concessionary Travel Scheme, was paid to Nexus in order to execute the policy decisions of the ITA.



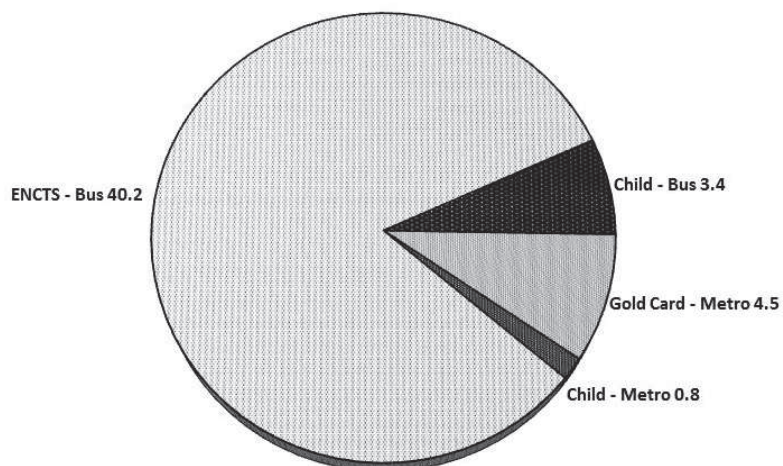
Nexus' levy funded expenditure during 2012/13 amounted to £69.5m. The chart below shows how the levy was used by Nexus in providing the following services:-

Nexus Levy Funded Expenditure 2012/13 (£m)



Concessionary Travel comprises 70% of this expenditure, **therefore the extent to which residents from across the five districts use these concessions will heavily skew the financial benefit derived, relative to the population based financial input via the levy.** A further breakdown of this spend is provided in the chart below, which shows that over 80% relates to the English National Concessionary Travel Scheme:-

Concessionary Travel - Net Expenditure 2012/13 (£m)



Activity and analysis of each of these services together with commercial bus services are described in more detail in the next section of this report.

Activity Analysis

This section provides a breakdown and analysis of activity across the following areas of public transport service provision in Tyne and Wear:-

Services

1. All bus patronage
2. Secured Bus
3. English National Concessionary Travel Scheme (ENCTS)
4. Under 16 (U16) Concessionary Travel on Bus
5. Metro
6. Gold Card Concessionary Travel
7. Under 16 (U16) Concessionary Travel on Metro
8. Bus Infrastructure
9. Information
10. Ferry
11. Rail
12. TaxiCard

1) All Bus patronage

During 2012/13, when adding commercial and secured journeys together, just over 139.5 million journeys were made on commercial bus services in Tyne and Wear, which represents an increase of over 1% on the previous year. The table below provides a breakdown of the figures relevant to the bus market across Tyne and Wear in 2012/13 and sets these in context by also showing the trend when compared to the previous year 2011/12.

Passenger Type	2010/11	2011/12	2012/13	Change Vol	Change %
Adult	82.245	78.169	80.103	+1.934	+2.5%
ENCTS	45.992	45.899	45.038	-0.861	-1.9%
Child	13.383	14.026	14.436	+0.410	+2.9%
Total	141.620	138.094	139.578	+1.484	+1.1%

Nexus have carried out some analysis into the current usage in an attempt to ascertain if the improvement in 2012/13 indicates a reversal of the long term decline.

Key points regarding Bus growth in 2012/13 compared to 2011/12

a. Long term decline outweighs short term gains

Total adult bus patronage, including commercial and secured services, has been in long term decline. Over the last 13 years, there were only 4 recorded annual increases of patronage in the adult market but occasional years of growth every 3-4 years have not arrested the otherwise consistent decline.

b. Recovery of recent losses rather than sustained growth

The growth in the *commercial* adult bus market during 2012/13 has not offset the decline observed in the previous year. *Commercial* adult patronage in 2012/13 still represents a 4% reduction on 2010/11 levels, with almost 3 million fewer journeys.

c. Short term boosts

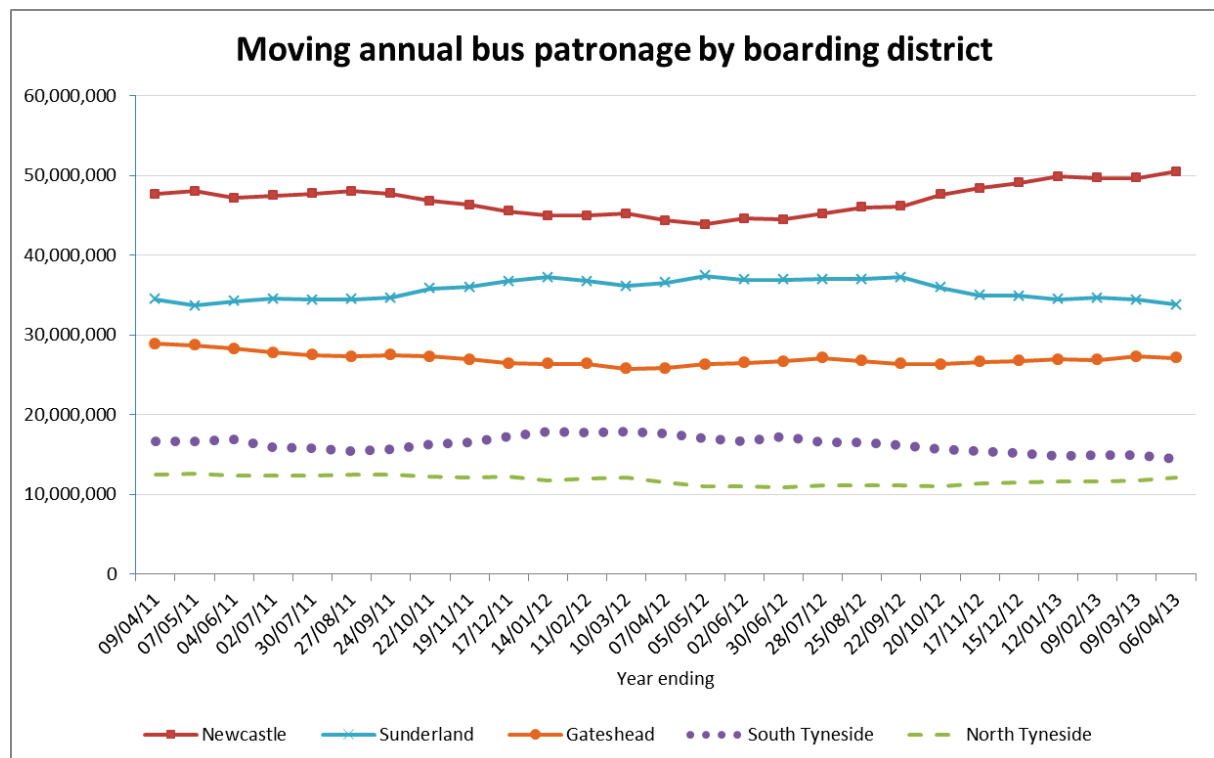
Relating specifically to adult patronage on commercial services, 10 of the 13 periods failed to overcome the losses observed in the same period a year earlier. July and August were the only two months to fully recover, coinciding with the Olympic Torch procession, Olympic football matches played at St James' Park and the introduction of the NTL DayRover promotional campaign.

d. Impact of Metro

In recent years, Metro engineering work under the Metro:all change programme has led to sections of track and some stations being closed either for long periods, or for shorter periods but repeatedly over a longer time span. This has had an impact on Metro ridership and may have encouraged passengers to use other modes of travel during the periods of disruption.

All Bus patronage by district

The chart below shows the long term trend of total bus patronage boardings by district. In this data set, the patronage boarding location is defined by the origin of a journey. That is, a journey from Newcastle, irrespective of journey destination or passenger home district, is classified as a Newcastle journey. Nexus' patronage data is based upon a statistically robust sample structure but because it is not "actual" recorded journeys, some fluctuation will occur in trends. Across the course of 2 years, some fluctuation is shown amongst boardings at a district level and true causes of these changes are difficult to ascertain. For example, as well as the expected variation due to sample structure, changes to routes, working and leisure patterns and locations can all impact upon these trends and are difficult to attribute directly.



Nexus have analysed the district that passengers live in, compared to the location they boarded and it is evident that a sizeable number of 'cross district' journeys are undertaken, including trips made by residents from outside of Tyne and Wear which clearly impact on this analysis. For example, approximately two-thirds of those who board in Newcastle also live in Newcastle. However, over 90% of those who board in South Tyneside and Sunderland also live in these districts, highlighting the fact that boardings made within one location are impacted by people from across the region as a whole. The Following table illustrates this:-

All bus travel, all passengers						
		Board in				
		GH	NC	NT	SL	ST
Live in	GH	74.2%	6.3%	1.9%	2.2%	1.0%
	NC	7.2%	68.9%	15.4%	0.4%	0.5%
	NT	1.2%	10.6%	74.7%	0.1%	0.3%
	SL	8.6%	2.7%	0.4%	92.3%	5.2%
	ST	3.5%	1.2%	1.3%	2.0%	92.3%
	Outside T&W	5.3%	10.3%	6.3%	3.0%	0.7%
	Check	100%	100%	100%	100%	100%

Commercial mileage

A review of commercial routes stored within Nexus IT systems in 2012 provided a more accurate re-aligned figure for 2011/12 operated commercial services mileage and comparable figure for 2012/13. Increased capability within Nexus has allowed routes to be analysed with improved accuracy.

Commercial bus mileage			
District	2011/12	2012/13	% Change
Sunderland	11,642,130	11,004,359	-5%
Gateshead	8,638,808	8,418,000	-3%
Newcastle	12,567,975	12,364,750	-2%
North Tyneside	6,963,128	6,565,248	-6%
South Tyneside	5,932,481	5,852,212	-1%
Tyne & Wear	45,744,522	44,204,569	-3%

2) Secured bus services

During 2012/13, Nexus maintained its expenditure on the secured bus network despite inflationary pressures. To a large extent, this was possible because of savings in the Newcastle network where owing to a change in the procurement strategy, some services that had previously been secured were provided on a commercial basis. This, alongside the full year effect of changes in Link-Up services across Tyne and Wear led to a 10% reduction in patronage on the previous year, whilst operated mileage also fell by 17%.

Secured Bus (All): Tyne & Wear by District 2012/13							
District	Pax (000s)	VLY	Mileage	VLY	Net Costs (£m)	VLY	
Sunderland	1,825	↑ 14%	790	↓ -12%	£2.45	↑ 6%	
Gateshead	2,178	↓ -12%	872	↓ -16%	£2.71	↑ 2%	
Newcastle	2,046	↓ -31%	967	↓ -30%	£3.01	↓ -16%	
North Tyneside	1,454	↑ 6%	910	↓ -2%	£2.83	↑ 19%	
South Tyneside	991	↓ -5%	663	↓ -18%	£2.06	↓ -1%	
Tyne & Wear	8,494	↓ -10%	4,202	↓ -17%	£13.06	↑ 0%	

The net cost per district is calculated based on the distribution of mileage operated. Whilst in overall terms, the net cost of operating secured services remained static during 2012/13, changes in the distribution of operated mileage has changed and subsequently, so has the distribution of costs.

Due to the fluid nature of the secured services procurement strategy, some large year on year changes to patronage and mileage are observed when comparing all secured services. Continued changes to the configuration of the secured network, as necessitated by changes to commercial services, illustrate difficulties in comparing like-for-like on an annual basis with around two-thirds of the 2012/13 contractual arrangements being different to those in operation during 2011/12.

However, where approximately one third of secured services can be compared on a like for like basis, comparable year on year changes in patronage show a more positive trend:-

District	Patronage change (in comparable contracts)	% Change
Sunderland	81,962	9.8%
Gateshead	1,208	0.1%
Newcastle	66,153	5.9%
North Tyneside	62,329	7.9%
South Tyneside	27,582	8.5%
Tyne & Wear	239,234	5.4%

Some of the major changes in mileage operated across individual districts are explained below:-

Newcastle (440,000 miles reduction)

- Stagecoach commenced a policy of assuming Monday to Friday Newcastle city services on a commercial basis accounting for a reduction in secured mileage of over 350,000 miles.
- LinkUp contracts expired, replaced by a fixed route operation only (estimated reduction 50,000 miles)

Sunderland (124,000 miles reduction)

- LinkUp contract expired with only fixed route replaced and a remedial TaxiBus operation for 'flexible' journeys (estimated reduction 35,000 miles)
- Withdrawal of some early morning services (estimated reduction 15,000 miles)

Gateshead (182,000 miles reduction)

- LinkUp contract expired and only fixed route maintained (estimated reduction 40,000 miles)
- MetroCentre Shuttle was assumed on a commercial basis by GoNE (estimated reduction 50,000)

North Tyneside (30,000 miles reduction)

- Reductions in secured operation following GoNE network review in the area and a secured service review on Whitley Bay mini-buses

South Tyneside (33,000 miles reduction)

- Service 16 contract not removed with key links included in other routes as part of Accessible Network
- LinkUp contract expired and only fixed route maintained

3) Concessionary Travel on Bus (ENCTS)

1.1 Background

Historically, English National Concessionary Travel Scheme (ENCTS) journeys have been reported through the Continuous Monitoring passenger surveys. In October 2011, ENCTS pass holders began to record their journeys using smart-enabled technology. Every journey recorded is stored in a database and allows an unprecedented amount of analysis to be carried out. Nexus are continuing to work with the bus operators to ensure accuracy of the data.

The data set has the advantage that journeys made can be assigned to the pass holder's home district, rather than where the journey was made. Applying this data to the patronage figure provides the following analysis:-

ENCTS on Bus (Over 60 & Disabled)					
Resident of	2011/12	2012/13	Change %	2011/12 Proportion of all trips by resident in...	2012/13 Proportion of all trips by resident in...
Sunderland	13,265	12,881	-2.9%	28.6%	28.5%
Gateshead	9,914	9,953	0.4%	22.1%	21.9%
Newcastle	10,281	9,593	-6.7%	21.3%	21.6%
North Tyneside	5,737	6,260	9.1%	13.9%	13.9%
South Tyneside	6,701	6,350	-5.2%	14.1%	14.2%
Total	45,899	45,038	-1.9%	100%	100%

1.2 Pass holders

Over 210,000 ENCTS cards were produced in March 2013 as the cards previously issued at the introduction of the scheme in 2008 were reaching their 5 year expiration date. The re-issue included a data-cleanse exercise to ensure those issued with a card were still entitled to concessionary travel and exclude those who had passed away. As a result, the number of active cards shown in the system in March 2013 reduced in comparison to March 2012, with revised take up rates as set out in the table below:-

ENCTS on Bus: Tyne & Wear by District 2012/13		
District	Over 60s Passes	Take Up
Sunderland	55,445	90%
Gateshead	38,322	85%
Newcastle	45,567	91%
North Tyneside	43,372	94%
South Tyneside	31,669	91%
Tyne & Wear	214,375	90%

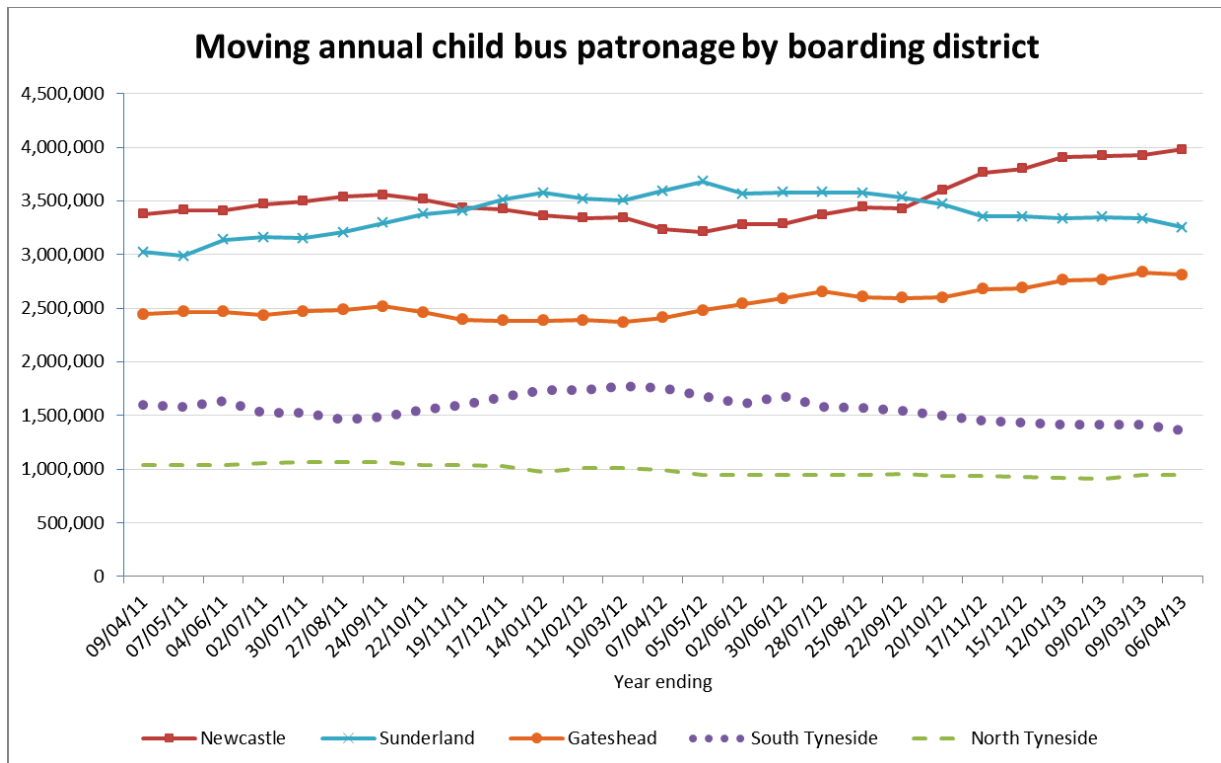
According to the PTEG Support Unit, take up amongst elderly of the ENCTS pass in all Metropolitan areas is 77% however, within Tyne and Wear, take up rate across all districts is accepted as being much higher than this level. The table below shows the take up rate amongst the eligible elderly population. These figures do not show the take up rate for disabled ENCTS card holders as the comparable population data is not available.

4) Under 16 (U16) Concessionary Travel on Bus

During 2012/13, the Under 16 Child Concessionary Travel group made over 9.5 million journeys on bus in Tyne and Wear, which represents growth of 2% on the previous year. The table below provides a breakdown of the figures relevant to the child concessionary travel market across Tyne and Wear in 2012/13 and sets these in context by also showing the trend when compared to the previous year 2011/12. These figures are based upon the Continuous Monitoring passenger surveys as no smartcard data is available for children. As such, the changes largely follow those seen in overall patronage.

U16 on Bus: Tyne & Wear by District 2012/13									
District	Pax (000s)	VLY %	Population	VLY %	Pass Issues	VLY %	Take Up	VLY (pp)	
Sunderland	2,243	↓ -4%	35,703	↓ -0.6%	13,023	↑ 3%	36%	↑ 1%	
Gateshead	2,635	↑ 8%	25,955	↓ -0.2%	11,757	↑ 2%	45%	↑ 1%	
Newcastle	2,688	↑ 19%	34,407	↓ -0.2%	11,751	↑ 6%	34%	↑ 2%	
North Tyneside	803	↓ -12%	26,267	→ 0.0%	7,746	↑ 3%	29%	↑ 1%	
South Tyneside	1,184	↓ -16%	19,291	↓ -1.2%	7,574	↑ 3%	39%	↑ 1%	
Tyne & Wear	9,554	↑ 2%	141,623	↓ -0.4%	51,851	↑ 3%	37%	↑ 1%	

The figures show that the number of pass issues has increased slightly year on year across all districts, along with a slight decline in the eligible population. The take up of POP Cards issued increased by 3% in 2012/13 to over 51,000. Take up rate is now 37%, an improvement on the previous year but still lower than the rate of 44% seen two years ago when the cards were first issued. It is relevant to show the changes to all child patronage, including both under 16 concessionary travel and also child travel using operator's commercial products. As the majority of child travel on bus is made using the under16 concessionary pass, the trends are largely the same as the table above. All child patronage on bus is represented in the chart below:-



Nexus continues to work with schools across Tyne and Wear to increase pass take up and raise awareness about the benefits of the POP card and the concession in general. Specifically, during 2013/14 Nexus is undertaking qualitative and quantitative analysis in relation to child patronage. This research will focus on awareness of concessionary products, influences upon travel patterns and purchasing habits. The research is being carried out across Tyne and Wear, providing a view from each district.

5) Metro patronage

During 2012/13, over 37 million journeys were made on Metro in Tyne and Wear, which represents a decline of -1.3% on the previous year. The table below provides a breakdown of the figures relevant to the Metro in 2012/13 and shows the trend when compared to the previous year 2011/12.

Metro: Tyne & Wear by District 2012/13					
District	Pax (000s)		VLY	Stations	Track (miles)
Sunderland	2,938	↑	4%	9	6
Gateshead	5,034	↓	-2%	5	4
Newcastle	18,193	↑	0%	20	12
North Tyneside	7,133	↓	-5%	17	14
South Tyneside	3,730	↓	-6%	10	12
Tyne & Wear	37,029	↓	-1%	61	48

The Metro patronage data is based upon very similar theory and methodology to that of the bus but because the Metro system and routes operated have not changed, data is more consistent, allowing better comparison of boardings within each district.

However, the same considerations are still relevant, in that those boarding in one district could live elsewhere. Again, this research has been carried out to provide the following information. The proportion of people boarding the Metro who also live in the area reduces compared to bus highlighting the connectivity across the region that Metro provides. For example, less than 60% of those who board in Gateshead live within Gateshead whilst less than 50% who board in Newcastle live in Newcastle. .

All Metro travel, all passengers						
		Board in				
		GH	NC	NT	SL	ST
Live in	GH	57.1%	8.5%	3.3%	4.0%	4.1%
	NC	7.2%	49.9%	13.9%	7.0%	4.0%
	NT	3.3%	17.4%	75.7%	1.6%	1.4%
	SL	11.1%	7.0%	1.3%	77.6%	6.6%
	ST	18.3%	9.0%	2.6%	6.6%	82.1%
	Outside T&W	3.0%	8.2%	3.3%	3.2%	1.8%
	Check	100%	100%	100%	100%	100%

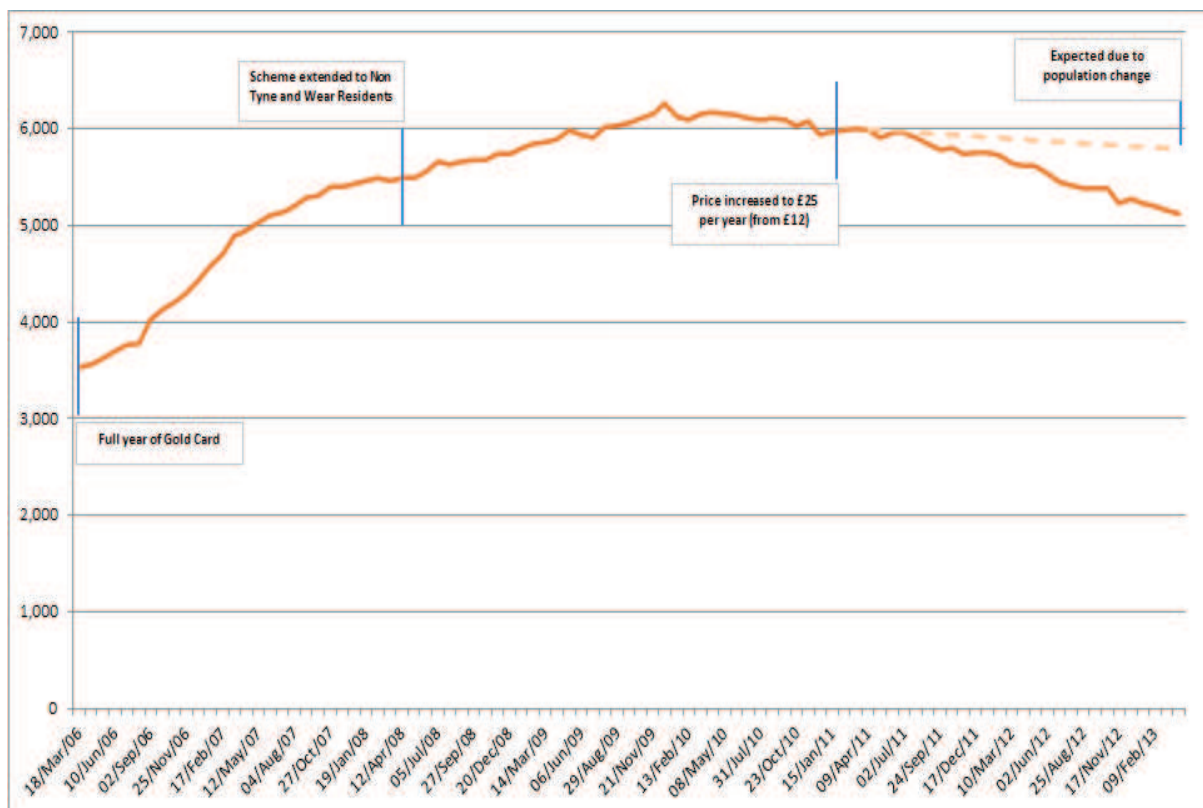
6) Gold Card Concessionary Travel on Metro

Metro patronage increased slightly in the adult market but declines were evident across all other categories, particularly with Gold Card patronage. As with all Metro patronage figures, Gold Card passenger journeys on Metro are still calculated through the Continuous Monitoring passenger surveys until the Metro system is smart-enabled.

Passenger Type	2010/11	2011/12	2012/13	Change Vol	Change %
Adult	29.154	27.445	27.568	+0.123	+0.4%
Gold Card	5.903	5.496	5.020	-0.476	-8.7%
Child	3.088	3.092	2.952	-0.140	-4.5%
Fraud	1.664	1.492	1.489	-0.003	-0.2%
Total	39.811	37.525	37.029	-0.496	-1.3%

During 2012/13, Gold Card Concessionary pass holders made more than 5 million journeys on Metro in Tyne and Wear but this represented a decline of 9% on the previous year.

Across the whole network, a consistent decline has been observed in Gold Card journeys on Metro in recent years, particularly evident since the annual fee was increased from £12 to £25. The chart below tracks the moving annual total of Metro passengers (in '000s):-



Also, the changes to the age eligibility for concessionary travel have reduced the eligible population, which would also lead to a related reduction in pass issues.

The table below provides a breakdown of the figures relevant to the Gold Card concessionary market across Tyne and Wear in 2012/13 and sets these in context by also showing the trend when compared to the previous year 2011/12.

Gold Card on Metro: Tyne & Wear by District 2012/13								
District	Pax (000s)	VLY	Population	VLY	Pass Issues	VLY	Take Up	VLY ²
Sunderland	484	↓ -9%	63,470	↓ -1%	7,185	↓ -39%	11%	↓ -7%
Gateshead	723	↓ -17%	45,160	↓ -2%	7,462	↓ -21%	17%	↓ -4%
Newcastle	2,172	↓ -5%	53,750	↓ -2%	8,744	↑ 1%	16%	↑ 0%
North Tyneside	1,009	↓ -7%	46,820	↓ -2%	12,442	↑ 13%	27%	↑ 4%
South Tyneside	633	↓ -11%	36,220	↓ -2%	10,108	↓ -23%	28%	↓ -8%
Tyne & Wear	5,020	↓ -9%	245,420	↓ -2%	45,941	↓ -15%	19%	↓ -3%

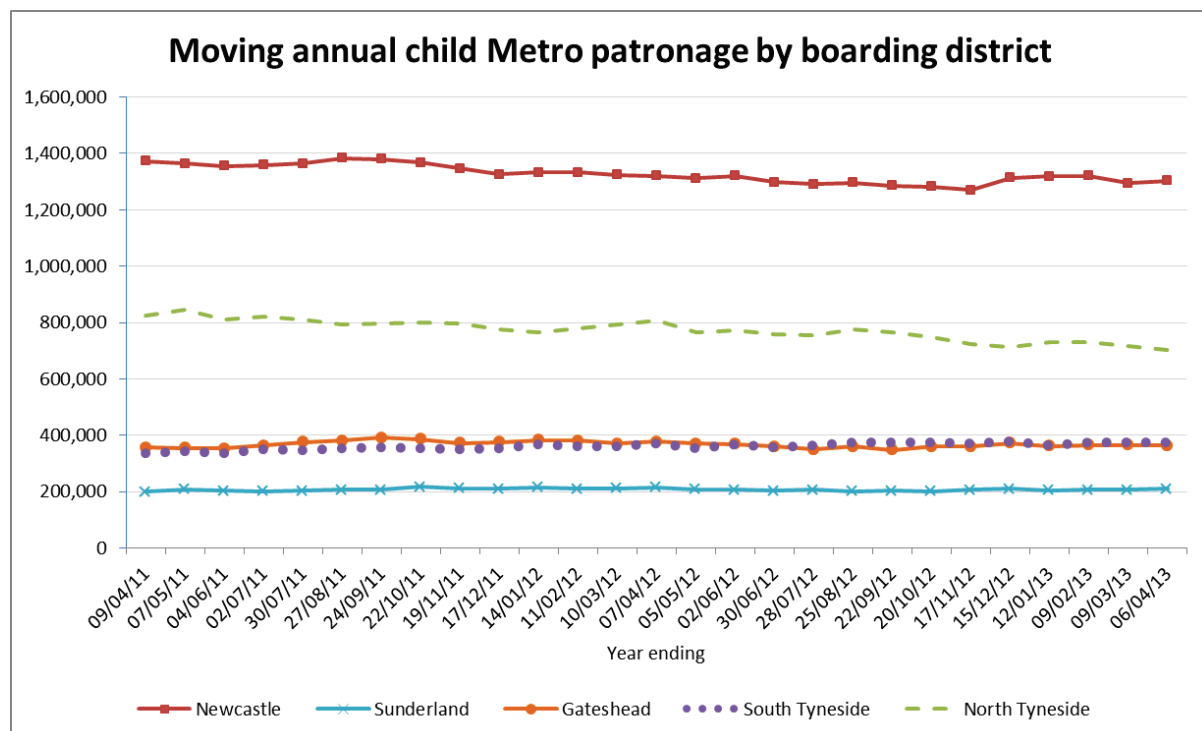
As shown above, patronage fell the most in the areas where the Gold Card take up rate fell, compared to the previous year.

Nexus plan to carry out some qualitative and quantitative analysis in relation to Gold Card patronage during 2013/14. This research will focus on the changing influences upon travel patterns and propensity to purchase a Gold card. The research will be carried out across the region providing a view from each district.

7) Under 16 (U16) Concessionary Travel on Metro

During 2012/13, the Under 16 Child Concessionary Travel group made almost 0.7 million journeys on Metro in Tyne and Wear, which represents a decrease of 11% on the previous year. In contrast to bus, the majority of child sales are of the commercial product, where the price differential is much less than on bus. However, these journeys also reduced by 4% leading to a 6% reduction in overall child travel across the network. The table below provides a breakdown of the concessionary figures relevant to the child commercial market across Tyne and Wear in 2012/13 and sets these in context by also showing the trend when compared to the previous year 2011/12. The drop in child patronage is largely due to a 19% fall in child single sales, whilst sales of child day tickets have fallen by 2%.

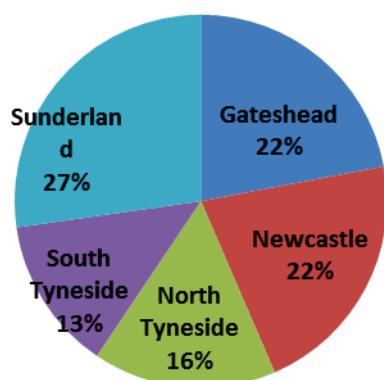
Nexus is undertaking qualitative and quantitative analysis in relation to child patronage during 2013/14. This research will focus on awareness of concessionary products, influences upon travel patterns and purchasing habits. The research will be carried out across the Tyne and Wear, providing a view from each district.



8) Bus Infrastructure

Nexus provides almost 6,000 bus stops and manages 2,000 bus shelters across Tyne and Wear. Newcastle provide all of their own bus shelters through an independent commercial contract. Gateshead uses its own budget to provide the majority of new shelters, which Nexus then manages, maintains and cleans. In addition, Nexus also manages a number of bus stations and interchanges across Tyne and Wear. As it is the actual bus stop that determines a location as an access point to public transport the chart below provides a breakdown of bus stops across Tyne and Wear by district.

Bus Stops by District 2012/13



The table below provides a breakdown of the active stops in 2012/13 and sets these in context by also showing the trend when compared to the previous year 2011/12. However, as would be expected, the figures show that there was only a minimal change in these physical assets year on year. Any changes observed are primarily due to stops becoming inactive as services and routes are changed.

Bus Infrastructure Tyne & Wear by District 2012/13				
District	Stops	VL	Stations	VL
Sunderland	1,560	↓ -2%	4	→ 0%
Gateshead	1,260	↓ -4%	5	→ 0%
Newcastle	1,231	↓ -6%	3	→ 0%
North Tyneside	911	↓ -4%	4	→ 0%
South Tyneside	763	↑ 0%	2	→ 0%
Tyne & Wear	5,725	↓ -3%	18	→ 0%

9) Information

Nexus also provides a wide range of public transport information in a variety of formats at stops, stations, travel shops and on the internet. In 2012/13 Nexus had more than 3.6 million hits on the www.nexus.org.uk website and almost 50% (1.7 million) of these visits originate from within Tyne and Wear.

Bus stop timetables and the Nexus website are the two main channels of information provision to the public. The tables below shows the number of new bus liners produced through the year by district. Nexus will produce new liners if there are service or timetable changes at a stop during the year – with over 12,000 new liners replacing old ones in 2012/13, this suggests that on average, over 40 bus stops have liners physically updated each working day:-

District	New Liners	Proportion of all new liners
Sunderland	3,001	24%
Gateshead	2,829	23%
Newcastle	2,662	22%
North Tyneside	2,137	17%
South Tyneside	1,684	14%
Tyne & Wear	12,313	100%

10) Ferry

During 2012/13 there were more than 0.4 million journeys on the cross Tyne Ferry service, which represents a decrease of 14% on the previous year. While this service provides a key cross Tyne link between South Tyneside and North Tyneside, which is reflected in the figures below, some of the benefit also spreads to other districts of Tyne & Wear and beyond. The table below shows the % split of Ferry users by district based on Nexus 2012/13 Ferry User Profile research (540 interviews).

Passenger Type	2010/11	2011/12	2012/13	Change Vol	Change %
Adult	383,217	376,979	324,799		
ENCTS	105,385	109,575	93,293		
Child	15,631	16,084	13,821		
Total	504,233	502,638	431,913	-70,725	-14.1%

Ferry Users by District 2011/12	
District	% Total
North Tyneside	49%
South Tyneside	41%
Sunderland	6%
Newcastle	3%
Gateshead	1%
Tyne & Wear	100%

11) Rail Services

During 2012/13 there were over 1 million journeys on local Rail services in Tyne and Wear, which represents a decrease of -11% on the previous year. This figure only includes journeys on Northern Rail services travelling on the Newcastle to Sunderland or Newcastle to Metrocentre lines. The table below provide a breakdown of the figures relevant to the Rail market across Tyne and Wear in 2012/13 and sets these in context by also showing the trend when compared to the previous year 2011/12.

Rail: Tyne & Wear by District 2012/13					
District	Pax (000s)		VLY	Stations	Track (miles)
Sunderland	105	↓	-34%	1	6
Gateshead	256	↓	-9%	4	10
Newcastle	716	↓	-7%	1	1
North Tyneside	-		-	-	-
South Tyneside*	-		-	-	5
Tyne & Wear	1,077	↓	-11%	6	21

The figures show a decline for journeys originating in Sunderland but this is offset by growth in equivalent Metro journeys.

The Office for Rail Regulation record the number of entries/exits at all stations across the country. The latest data is for 2011/12. Outside of London, Newcastle ranks as the 20th busiest station. It is the rail hub of the North East, accounting for 39% of all passenger movements in the region. Passenger movements (entries & exits) at the stations within Tyne and Wear are shown below.

Station	Passengers 2011/12	Change on 2010/11	North East Rank (of 54 stations)	UK rank (of 2,533 stations)
Newcastle	7,706,476	206,138	1	43
Sunderland	753,120	23,158	5	617
Metrocentre	356,798	-8,882	11	1,012
Heworth	16,812	-80	41	2,210
Blaydon	4,220	-64	47	2,376
Manors	4,120	1,144	48	2,378
Dunston	3,066	818	49	2,399

* very small absolute number of entries & exits attributed to large change

12) TaxiCard Services

TaxiCard is a social inclusion transport initiative which is provided for disabled people who have difficulty in accessing mainstream public transport services. At the end of 2012/13 there were almost 3,000 registered members of the scheme. The chart provides a breakdown of Taxi Card members by district and shows that while the number of Taxi Card members in Tyne and Wear has declined overall, both Sunderland and Gateshead have recorded an increase in members with Sunderland residents now accounting for almost than 5 out of every 10 Taxi Card members.

TaxiCard Active Membership 2012/13				
District	2011/12	% Share	2012/13	% Share
Sunderland	1,212	43%	1,277	45%
Gateshead	800	28%	783	27%
Newcastle	134	5%	126	4%
North Tyneside	359	13%	374	13%
South Tyneside	344	12%	309	11%
Tyne & Wear	2,849	100%	2,869	100%

TaxiCard Trips Made 2012/13			
District	2012/13	% Share	Trips per person
Sunderland	58,054	48%	45
Gateshead	28,653	24%	37
Newcastle	3,569	3%	28
North Tyneside	16,371	14%	44
South Tyneside	13,832	11%	45
Tyne & Wear	120,479	100%	42

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1	Executive Summary
	This report summarises the level of transport operation in Tyne and Wear over the Christmas period.
2	Introduction and Background
2.1	As in previous years, discussions have taken place with traders, promoters of major events and public transport operators to determine major transport requirements in Tyne and Wear over the holiday period and the commercial intention of bus operators.
2.2	As in recent years, retail outlets are to maintain extended opening hours on Boxing Day with MetroCentre trading between the hours of 0800 and 2000 whilst The Bridges, Sunderland and Eldon Square, Newcastle will trade between 0900 and 1730/1800 respectively.
3	Information
3.1	No public transport services will operate on Christmas Day and New Year's Day and at other times timetables will reflect the different patterns of travel prevailing at this season.
3.2	<p><u>Buses</u></p> <p>On Christmas Eve, the bus network will generally operate a Saturday timetable (Go North East & Stagecoach), however Arriva North East have elected to operate a normal Tuesday timetable. All operators will run down services after 1830 with all services finished by 2000.</p> <p>On New Year's Eve, all operators will generally operate a Saturday timetable. Operators will run down services after 1830 with all services finished by 2000.</p> <p>On Boxing Day, Go North East and Stagecoach will operate a number of services on a commercial basis for the core hours of the day. Nexus will secure additional services to complement the commercial operation and, in addition, secure additional journeys at the 'extremes' of the day on a number of services which generally will be operated on a commercial basis to assist passengers to use public transport to and from work at retail outlets.</p>



On Friday 27th and Monday 30th of December, a Saturday service will generally operate with normal services in operation on Saturday 28th and Sunday 29th December.

Normal services will resume on Thursday 2nd January 2014.

3.3 Metro

On Christmas Eve, Metro will operate an enhanced Monday to Friday service until 1830 and thereafter an hourly service on all lines until 2315 departures from Monument.

On Boxing Day, Metro will operate a Sunday service between the hours of 1000 and 1930.

On Friday 27th & Monday 30th of December, a normal Monday to Friday service will operate, with further additional trains operating at key times. Enhanced services will also operate on Saturday 28th and Sunday 29th December.

On New Year's Eve, Metro will operate an enhanced Monday to Friday service until 1830 and thereafter a half-hourly service on all lines until 2315 departures from Monument.

Further enhancements to service will take place on Thursday 2nd and Friday 3rd January. Normal service will resume on Saturday 4th January.

3.4 Ferry

On Christmas Eve and New Year's Eve, the Shields Ferry will operate a normal Tuesday service.

On Boxing Day, the Ferry will operate a normal Sunday service.

On Friday 27th, Saturday 28th, Sunday 29th and Monday 30th of December, a normal



service will operate.

Normal service resumes on Thursday 2nd January 2014.

3.5 Newcastle – Sunderland Rail

Northern Rail will operate a normal service on Christmas Eve and New Year's Eve with a 'run-down' of services from 2000.

There will be no service on Boxing Day.

On Friday 27th December, generally a normal timetable will operate with a number of early journeys withdrawn.

A normal service will operate between Saturday 28th December and Monday 30th December (incl.).

Normal service will resume on Thursday 2nd January 2014.

3.6 Taxis

Taxi services will operate normally over the Christmas and New Year period.

3.7 Travelshops

Travelshops will close early at 1300 on Christmas Eve and New Year's Eve. They will close on Christmas Day, Boxing Day and New Year's Day.

3.8 Traveline

The Traveline service will be closed on Christmas Day and New Year's Day. Opening hours on Christmas Eve and New Year's Eve will be from 0700 until 1800. Opening hours on Boxing Day will be from 0700 until 1800. Normal opening hours will be followed on all other days.



INFORMATION

4	Next Steps
	Members to note.
5	Potential impact on objectives
	Nil.

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CHRISTMAS OPERATION/SERVICES 2013/2014

Day	Date	Bus Services	Metro	Ferry	Taxis	Northern Rail N/castle-S/land	Travel Shops	Traveline
Tuesday	24 December 2013	Generally a Saturday service with early run-off, however Arriva will operate a Tuesday service with early run-off.	Enhanced weekday service until 1830, then hourly service to all destinations.	Normal Tuesday service	Taxi services will operate normally over the Christmas and New Year period	Normal Tuesday service with a run down from 2000	Travelshops will close early at 1300	Open 0700 - 1800
Wednesday	25 December 2013	No Service	No Service	No Service		No Service	Closed	Closed
Thursday	26 December 2013	Go North East and Stagecoach will operate a number of services on a commercial basis at the core hours of the day. Nexus will secure some additional services to complement the commercial operation.	Sunday service 1000 - 1930	Sunday service		No Service	Normal opening hours	Open 0900 - 1800
Friday	27 December 2013	Saturday service	Normal weekday service and additional trains	Normal Friday service		Generally a Friday service with a number of early journeys withdrawn	Normal opening hours	Normal hours
Saturday	28 December 2013	Normal Saturday service	Enhanced Saturday service	Normal Saturday service		Normal Saturday service	Normal opening hours	Normal hours
Sunday	29 December 2013	Normal Sunday service	Enhanced Sunday service	Normal Sunday service		Normal Sunday service	Normal opening hours	Normal hours
Monday	30 December 2013	Saturday service	Normal weekday service and additional trains	Normal Monday service		Normal Monday service	Closed	Normal hours
Tuesday	31 December 2013	Saturday service with early run-off	Enhanced weekday service until 1830, then half-hourly service to all destinations.	Normal Tuesday service		Normal Tuesday service with a run down from 2000	Travelshops will close early at 1300	Open 0700 - 1800
Wednesday	01 January 2014	No Service	No Service	No Service		No Service	Closed	Closed
Thursday	02 January 2014	Normal service resumes	Normal weekday service and additional trains	Normal service resumes		Normal service resumes	Normal opening hours	Normal hours

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REPORT FOR INFORMATION

DATE: 28th November 2013
SUBJECT: Metro Smart Ticketing - update
REPORT OF: Director General, Nexus

PURPOSE OF REPORT

To update Members on plans to introduce smart ticketing on the Tyne and Wear Metro system by means of the Pop Card.

RECOMMENDATIONS

The ITA is recommended to note the delivery programme set out in this paper.

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Neutral

1 Executive Summary

1.1 The installation and commissioning of new Ticket Machines, platform validators and Gatelines on Metro stations is now complete. The process is nearing completion in the conversion of Metro customers to Smartcards, with 88% of Gold Card holders and nearly all MetroSaver customers now converted – some 60,000 cardholders now being able to use the gates and validators. Conversion of NTL period passholders to gate enabled tickets has also commenced.

Initial operational testing of gatelines (on entry only) has been successful, with customers appearing to adapt quickly to the requirement to use gates to enter the Metro during periods of testing.

In order to progress the operational testing further, with effect from Monday 11th November, **customers have been asked to start to “Touch in” and “Touch out” when using the Metro.** This has enabled gateline operations to be tested on exit as well as entry as well as ensuring that the back office processes related to smart ticketing work correctly

This phase of testing is expected to last until the end of the Calendar year. Early in the new year, we expect to commence the full implementation of gateline operations, on a phased basis – starting to operate gates routinely at the quieter stations and progressively moving to busier stations and busier times of day.

1.2 The timeline for the remaining programme is as follows:

November – December 2013	Operational Testing; Customers are <i>asked</i> to “Touch in” and “Touch Out”
January 2014	Commencement of routine operation of gatelines Customers are <i>required</i> to “Touch in” and “Touch out” Launch of Pop website. Metrosaver customers will be able to renew their period pass Via the internet, with the electronic ticket being loaded onto their POP card when they next visit a Metro Station
February 2014	MetroSaver customers will be able to buy their tickets at PayZone Agents (newsagents etc);



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<p>March 2014 (provisional, subject to testing)</p>	<p>The introduction of Oyster-style “Pay As You Go” travel on Metro, with a maximum daily price cap and the “Get You Home Guarantee”</p> <p>Automatic Ticket Gates routinely in operation at 11 Metro stations across the network</p>
<p>May 2014</p>	<p>Gatelines installed at two further stations – Byker and Chichester</p>
<p>November 2014 (provisional subject to development)</p>	<p>Enhancements to product range and availability. Customers will be able to set up automatic renewal of their smartcards on line and carry the Pay As You Go product and a period pass on the same card and the introduction of zonal price caps</p>
<p>2</p>	<p>Introduction and Background</p>
<p>2.1</p>	<p>Through the Ticketing and Gating Scheme, Nexus has introduced new ticket machines to all Metro stations, improving customer convenience by allowing payment by banknote and credit/debit cards, and a wider product range available for purchase at stations. The scheme now sees Automatic Ticket Gates coming into operation at a number of stations over coming months which, when activated will bring additional benefits of security and ticket fraud reduction.</p>
<p>2.2</p>	<p>As a result of the creation of the North East Smart Ticketing Initiative (NESTI), Nexus determined to upgrade the capability of the new ticketing system to introduce smart ticketing on the Tyne and Wear Metro. Funding from NESTI, combined with specific grant funding from DfT and other additional resources has made this possible.</p>
<p>2.3</p>	<p>This paper describes the progress to date and outlines the delivery programme through the remaining transition period to the full introduction of smart ticketing on Metro.</p>



3 Delivery Programme

3.1 Progress to date

The physical works required on stations is now complete, with 225 Ticket Machines installed across 60 stations and gatelines installed at 11 locations.

Software for the gatelines and validators, together with updated software for the Ticket Machines has been tested and rolled out. A number of problems were encountered during this commissioning phase which led to this taking longer than anticipated. However, these problems have now been resolved and the gatelines are now able to be put in operational use.

MetroSaver customers, 88% of Gold Card holders and Students at Newcastle University who are able to load their Student ticket onto their University ID/Smartcard are now all in possession of “gate enabled” smart cards, some 60,000 cards in total.

Together with sales from Ticket Machines, this means that approximately 80% of passengers are already carrying “gate enabled” tickets. This proportion will continue to rise as the remaining Gold Card customers transition to Smart and as Network One customers also transition to Gate-enabled tickets. Nonetheless, this figure is already above the threshold required for the safe operation of the gatelines at quieter stations.

3.2 November - December 2013 – Full operational testing

With the technology now working and sufficient passengers carrying gate enabled tickets, this phase will test the operational practices that will be used when gates – for example, how many gates to set to “in” and how many to set to “out” at different times of the day. This is to ensure that, when fully implemented, gates will always operate safely.

In order to undertake this testing, we have now asked customers to start to “touch in” and “touch out”. This period will provide an opportunity for customers to be shown how to use the gates ahead of full operation.

Early results of this phase have been positive. Customers are adapting quickly to the use of gates and validators and at the initial trial station, Central Station, the gatelines were able to operate throughout the morning peak of passenger flows – over 330 passengers leaving the Metro within 5 minutes – by the sixth day of operation. There was also a marked increase in the number of Penalty Fare Notices issued and in sales at Ticket Machines at that location during the first week of



	operation.
3.3	<p>January 2014 – Implementation of Gatelines and launch of website</p> <p>Starting in January, each of the 11 gated stations will have their gatelines brought into full operational service, with the gates operational during set hours, seven days per week. Additional staff have been recruited by DBTW in preparation for gateline operation. This is already having an impact on fraud levels and in deterring antisocial behaviour.</p> <p>This process will commence with the quieter stations (e.g. Manors) and progressively build up to the busiest as customer awareness and familiarity grows.</p> <p>Timed to coincide with the commencement of this process, the POP website will be launched. Through the website, customers will be able to:</p> <ul style="list-style-type: none">• Register their card and details, so that lost or stolen cards can be blocked and replaced• Renew their period pass, being able to collect the electronic product when they next visit a Metro station or onto their smartcard at home, using their own “POP Pad”• View the usage history of their smartcard <p>At this point, all smartcard customers will be <u>required</u> to ‘touch in’ when entering a Metro station (by touching their smartcard to a reader on a validator or by passing through an Automatic Ticket Gate), and ‘touch out’ at their destination station. Not doing so will prevent customers from exiting gates and may lead to the issue of a Penalty Fare Notice. Widespread customer communications will continue to explain the process.</p>
3.4	<p>February 2014 – MetroSavers available at PayZone outlets</p> <p>From February, MetroSaver customers will be able to buy their tickets at PayZone Agents (newsagents etc), with this retail network thus being ready in time for the launch of the POP Pay As You Go product.</p>
3.5	<p>Provisionally March 2013 (dependent upon successful completion of an in-depth testing regime) – The introduction of Oyster-style “Pay As You Go” travel on Metro</p> <p>Dependent upon the successful completion of a rigorous testing and trialling programme that has commenced and will continue throughout the winter, March will see the launch of the Pay As You Go product. Customers will be able to obtain a</p>



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dedicated smartcard onto which credits can be pre-loaded. This will allow people to pay as they travel without have to purchase a single, day ticket or season ticket in advance of boarding the train. Instead they will 'touch in' and 'touch out' at the station, and the system will automatically calculate the correct fare to be charged. If the customer makes multiple trips on the same day, the system will apply a 'price cap' to ensure that no more than the day ticket price is charged for the zones the customer has travelled through. The card will also have an "overdraft facility" which will ensure that customers can complete their journey even if they have insufficient credit on their card. The prices to be charged for using the Pay As You Go card will be incorporated into the ITA's annual pricing review in November.

It has been agreed with the Bus Operators in the region that this same Pay As You Go card will also be able to be used to purchase single tickets and day products on Buses across the North East region. We are currently working with Bus Operators to ensure that this facility can be introduced at the same time. Good progress has been made but, again, this will be dependent upon the successful trialling of the product through the winter.

3.6 **November 2014 (provisional dependent upon completion of development work)**
Enhancement of the product range and availability

Throughout 2014, we will be working on a series of further enhancements to ways in which customers can use their POP cards to travel on Metro. Those which are in the pipeline include:

- The introduction of a zonal price cap for PAYG, to provide a "best price guarantee" facility for users
- The ability for regular period pass customers to set up an automatic renewal facility
- The ability to hold the PAYG product and a period pass on the same card, allowing customers with a 1 or 2 zone period pass to use the PAYG product seamlessly when travelling outside of their normal patterns of travel

Nexus is also considering introducing other opportunities to exploit the development work undertaken to date. For example, a solution to allow customers to purchase and load the electronic ticket onto their smartcard using an NFC enabled mobile phones would be exploiting the same technology and development work that has already been undertaken and is currently in use for the conversion of paper period pass holders to smartcard at the moment. As yet, though, this and other concepts remain subject to an evaluation of customer demand and value for money analysis.



3.7 Network One tickets

Nexus acts as an agent for the sale of Network One tickets which can be used on bus, Metro, Ferry and Northern Rail services throughout Tyne and Wear. Network One is an independent company that is responsible for determining its own smart ticketing strategy. The Network One Board has resolved to ensure that its own product range will go Smart over the next 12 months. In the meantime, however, a conversion process is taking place to allow NTL customers to use the gates using gate enabled paper tickets.

4 Next Steps

Over the coming months the ITA will continue to receive regular updates regarding the progress against the delivery plan.

5 Potential impact on objectives

To support economic development and regeneration – The introduction of smart ticketing is intended to increase the attractiveness of public transport as a means of travel. This can contribute to the reduction of congestion, while giving people greater choice in, and access to, employment and training.

To address climate change – the introduction of smart ticketing will increase the attractiveness of public transport as a mode of travel reducing the number of individual car users and therefore fuel consumption. Also the introduction of smart ticketing reduces the requirement for paper based tickets.

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DATE: 28th November 2013

SUBJECT: Bus Strategy Delivery Project Update

REPORT OF: Director General, Nexus

PURPOSE OF REPORT

Further to the ITA's resolution of 26th July 2013 to carry out a formal Statutory Consultation on the proposed Quality Contracts Scheme for Tyne and Wear, this report provides an update on the consultation process and associated matters.

RECOMMENDATIONS

The ITA is recommended to note the contents of this report.

BACKGROUND DOCUMENTS

Reports presented to the ITA on Friday 26th July by ITA Officers and the Director General of Nexus ; agenda items 3a (Bus Strategy Delivery Project) and 3b (Bus Strategy Delivery Project Update)

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive

1	Executive Summary
1.1	Further to the ITA's resolution of 26 th July 2013 to carry out a formal statutory consultation on the proposed Quality Contracts Scheme for Tyne and Wear (QCS), this report provides an update on the consultation process and associated matters.
1.2	The consultation exercise commenced on 30 th July 2013 and was scheduled to run until 5 th November 2013. This deadline has been revised to 22 nd November 2013 at the request of a number of bus operators, the date on which operators have committed to provide an enhanced Voluntary Partnership Agreement. Nexus agreed to an extension of the consultation period to that date to allow their response to the QCS consultation to take into account the comparative benefits of the QCS Proposal against the benefits of the VPA.
1.3	Nexus has engaged in further dialogue with the operators regarding development of the improved Voluntary Partnership Agreement.
1.4	Nexus has also reviewed and updated the contingency plans designed to respond to operator withdrawal from the Tyne and Wear bus market should a QCS be progressed.
2	Introduction and Background
2.1	At its meeting on Friday 26 th July 2013, the ITA considered a report from the Clerk and the Treasurer to the ITA and a report from the Director General of Nexus.
2.2	At that meeting the ITA resolved that : <ul style="list-style-type: none"> • At this stage the draft QCS Proposal developed by Nexus represents the most effective possible means of delivering the objectives of the ITA's Bus Strategy as currently formulated; • The QCS Proposal as drafted currently satisfies each of the statutory tests set out in section 124(1) of the Transport Act 2000 (as amended) ("2000 Act"), taking into account the advice of ITA officers and external legal advice, including Counsel's opinion, on this issue; • It noted the comments of the Treasurer as to the funding of the scheme as set out in section 6 of the Proposal; • It should carry out a formal statutory consultation exercise on the QCS Proposal pursuant to section 125 of the 2000 Act in accordance with the detailed steps as set out in accordance with Appendix B to that report from the Clerk and the Treasurer, and authorized the Director General of Nexus,



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	<p>in consultation with the Clerk, to take all necessary steps for that purpose ;</p> <ul style="list-style-type: none">• It (through Nexus) should maintain a constructive dialogue with the bus operators throughout the process and give due regard to any further proposals for a Voluntary Partnership Agreement (“VPA”) which they may bring forward in the consultation period ;• It agreed to receive a further report at the end of the consultation exercise.
2.3	This report provides a brief update of activities.
3	Consultation
3.1	As detailed in the Directions and Guidance on Consultation set out in the report from the Clerk and the Treasurer on 26 th July 2013, the consultation exercise commenced on Tuesday 30 th July 2013 and was scheduled to complete after 14 weeks on 5 th November 2013.
3.2	During the consultation period Nexus has received a number of requests from local bus operators to extend the consultation period beyond 5 th November 2013. After careful consideration of these requests, Nexus agreed to allow a limited amount of additional time. Bus operators committed to provide an enhanced Voluntary Partnership Agreement (VPA) proposal by 22 November 2013 and accordingly Nexus agreed to an extension of the consultation period to that date to allow their response to the QCS consultation to take into account the comparative benefits of the QCS Proposal against the benefits of the VPA.
3.3	The ITA will receive a verbal update regarding the consultation responses received. All responses will be displayed on the consultation website, www.nexus.org.uk/busstrategy , and a further report to the ITA will be provided in line with the programme timescales contained in section 5 of this report.
4	Voluntary Partnership Agreement
4.1	As mandated in the ITA’s resolution on 26 th July 2013, Nexus has instigated further dialogue with NEBOA (the North East Bus Operators Association) regarding the development of the voluntary partnership alternative.
4.2	NEBOA presented an outline partnership proposal to the LA7 Chief Executives on 7 th October 2013. A number of enhancements have been above the previous offer.
4.3	Discussions between NEBOA and Nexus continue to agree the detail of the various



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	commitments, to ensure delivery of an enhanced and detailed Voluntary Partnership Agreement (VPA) by 22 November 2013. The ITA will receive a verbal update on regarding delivery of the VPA.														
5	Programme Timescales														
5.1	The extension of the consultation period will impact on the programme timeline.														
5.2	<p>The anticipated timetable is now as follows:</p> <table border="0"> <tr> <td>Consultation responses duly considered (and any revisions to the scheme made)</td> <td>Dec 2013 – Feb 2014</td> </tr> <tr> <td>ITA decision as to whether to progress with the QCS and submit it to the QCS Board</td> <td>Mar 2014</td> </tr> </table> <p><i>If the ITA decides to continue with the QCS (with or without modifications):</i></p> <table border="0"> <tr> <td>Engagement with QCS Board</td> <td>Apr - May 2014</td> </tr> <tr> <td>ITA decision as to whether to make the scheme</td> <td>June 2014</td> </tr> <tr> <td>Procurement of operators</td> <td>June - Feb 2014</td> </tr> <tr> <td>Transition to new arrangements</td> <td>Mar - Sept 2015</td> </tr> <tr> <td>Scheme becomes operational</td> <td>Oct 2015</td> </tr> </table>	Consultation responses duly considered (and any revisions to the scheme made)	Dec 2013 – Feb 2014	ITA decision as to whether to progress with the QCS and submit it to the QCS Board	Mar 2014	Engagement with QCS Board	Apr - May 2014	ITA decision as to whether to make the scheme	June 2014	Procurement of operators	June - Feb 2014	Transition to new arrangements	Mar - Sept 2015	Scheme becomes operational	Oct 2015
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Transition to new arrangements	Mar - Sept 2015														
Scheme becomes operational	Oct 2015														
6	Operator withdrawal														
	Contingency plans to respond to premature bus operator withdrawal from Tyne and Wear have been updated and reviewed in recent months. As Stagecoach have recently re-iterated their intention to withdraw from the market but retain ownership of infrastructure should a QCS be progressed, Nexus is actioning a series of activities to moderate this risk.														
7	Next Steps														
7.1	It is anticipated that Nexus will report the results of the consultation process to														



	the ITA in March 2014.
8	Potential impact on objectives
8.1	<p>Successful delivery of the Bus Strategy is intended to :</p> <p>Support economic development and regeneration and safe and sustainable communities by maintaining or growing access to key facilities, services and employment sites by public transport;</p> <p>Address climate change by increasing the use of public transport and thus reducing harmful emissions generated by the use of the private car, and by promoting the use of fuel-efficient vehicles.</p>

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REPORT FOR INFORMATION

DATE: 28th November 2013

SUBJECT: Summary of recent Passenger Focus research

REPORT OF: Director General, Nexus

PURPOSE OF REPORT

To provide a summary of recent Passenger Focus reports; “Perceptions of value for money on bus services” and “Giving passengers a voice in bus services”

RECOMMENDATIONS

Report is for information only.

BACKGROUND DOCUMENTS

Passenger Focus reports;

“Perceptions of value for money on bus services”

<http://www.passengerfocus.org.uk/research/publications/bus-passenger-views-on-value-for-money>

and

“Giving passengers a voice in bus services” <http://www.passengerfocus.org.uk/research/publications/giving-passengers-a-voice-in-bus-services>

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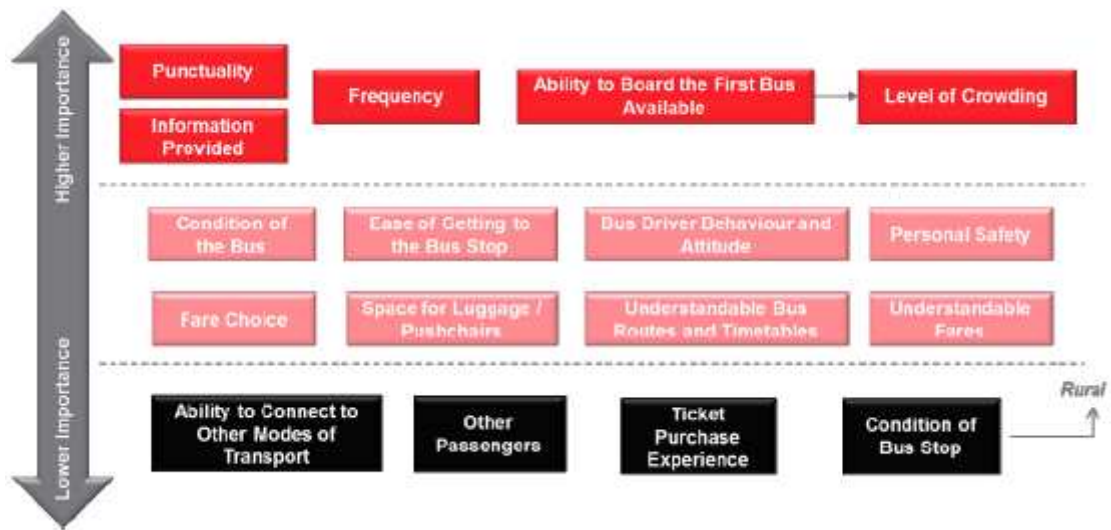
IMPACT ON OBJECTIVES

To support economic development and regeneration	Neutral
To address climate change	Neutral
To support safe and sustainable communities	Neutral

1	Executive Summary
1.1	<p>Passenger Focus are an independent public body set up by the Government to protect the interests of England’s bus passengers outside London, coach passengers on scheduled domestic services and tram passengers.</p> <p>The organisation carries out various pieces of independent research throughout the year.</p> <p>This report summarises two recent reports published in October 2013; “Bus passenger views on value for money” and “Giving passengers a voice in bus services”.</p>
2	Summary of “Bus passenger views on value for money” research
2.1	<p>Following research in 2010, which found that just over half of respondents were satisfied with value for money, Passenger Focus conducted further research in 2013 to identify passengers’ perceptions of value for money, how these were influenced and what could be done to improve perceptions.</p> <p>The research was carried out in 6 urban areas; Bristol, Manchester, Leeds, Nottingham, Stafford and Leicester. While the results do not necessarily reflect the market conditions within Tyne and Wear, they identify passenger expectations and perceptions.</p>
2.2	<p>On the whole, regardless of whether or not passengers have other modes of transport available, they feel they are getting value for money on buses when compared to other modes.</p> <p>Passengers generally compare bus costs to the cost of a car when calculating the value for money they receive on the bus, even among those that do not own a car.</p> <p>The ‘core’ product is all important and hugely influences perceptions of value for money. When passengers buy a ticket they expect a punctual, reliable service and a seat in return. Focusing on performance will also improve perceptions of value for money.</p>
2.3	<p>The parts of the journey that have the strongest impact on value for money are;</p> <ul style="list-style-type: none"> • punctuality • frequency • information provided • ability to board the first bus • the provision of up-to-date and accessible information



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2.4 Recommendations to improve passenger perceptions of value for money were provided through key areas for improvement that emerged from the research:

- Central information source
- Clearer ticketing structure
- Electronic payment card
- Real time information
- Standard age of 18 for adult fares
- Driver training

2.5 A choice of fares is important to passengers as it reassures them that they are receiving a flexible offer that will meet their travel needs and provide them with the cheapest way to travel. This is particularly true for younger travellers.

However, across all locations, there was low awareness of the ticket types available. Once passengers were made aware of this choice, most were surprised by how many options there are available in their area, but slightly overwhelmed by the information:

- the large choice of ticket options can be off-putting
- the terminology used within ticket names can lack clarity creating confusion.
- passengers felt disenfranchised upon the realisation that some operators are cheaper than others

2.6 Also, despite the large array of ticket types available, there are only a few key tickets generally purchased. Day tickets that allow bus travel across all routes within one area



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	are the most popular as they are felt to offer the most flexibility at a reasonable price.
2.7	Reducing the amount of time passengers waste in waiting for buses and in trying to find out where buses go or how much they cost could improve perceptions of the 'core product'.
2.8	There is a need for a central, amalgamated pre-journey information source where passengers can find out more about fares, ticket types and bus route information across different bus operators in an area. When personal knowledge is lacking, there is huge reliance on the bus driver.
2.9	The bus driver is seen as the face of the company. They are perceived as being responsible for far more than driving the bus - the main source of information on best value fares, the provider of information on delays and disruption, and a reassuring presence when it comes to personal security. As such, driver attitude can make a big difference.
2.10	There is an appetite among younger passengers for better display of fare options on the bus itself and/or direction towards more information, such as leaflets and websites, which would help to reassure and educate passengers on bus fares and ticket types available.
2.11	Being identified as an adult at 15 years old and subsequently having to pay an adult fare is frustrating, especially as they are recognised as adults at 18 in other areas of their life.
3	Summary of "Giving passengers a voice in bus services" research
3.1	<p>This research explored what passengers know about the structure of their local bus service and network and what they think would serve them best – effective local partnerships or franchise-style Quality Contract provision.</p> <p>Research was conducted in early 2013 among passengers travelling on different bus routes for a range of journey purposes in Leeds and Cambridge. The views of a number of bus user group representatives were also sought.</p>
3.2	<p>Passengers know very little about the way that bus services are determined for them. They often assume that local transport authorities and Passenger Transport Executives exercise some form of control.</p> <p>Passengers are largely trusting of local transport authorities and Passenger Transport Executives to look after their interests as a local passenger.</p>



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	<p>Passengers are less trusting of local bus operators, however local bus user groups and representatives sometimes felt that operators should be given more commercial freedom to generate better services for passengers.</p>
3.3	<p>There is a clear desire for passengers' views to be given more weight in any decisions about local service provision, a view echoed by local bus passenger representatives. They feel that the operation of bus services must be accountable to passengers.</p> <p>However, bus passengers currently perceive no involvement for themselves in influencing the provision of bus services. Passengers feel they would benefit from both periodic consultation when a change in service provision is imminent, and from ongoing monitoring of service levels.</p>
3.4	<p>Passengers liked and expected operators and local authorities to work together. They were, however, less interested in the precise model of doing so – the legal nuances between a Quality Partnership and Quality Contract not being top of passengers' minds.</p> <p>The local authority was very often cited as a decision maker involved in the service provision process, and in most of these instances, local transport authority involvement was regarded as positive.</p> <p>Perceptions were often influenced by passengers' understanding of other industries, their interpretations of what they observed happening to bus services in their own areas, and simply speculation about what they felt should happen.</p>
3.5	<p>It was felt that, in theory, greater passenger influence in decisions relating to the determination of bus services could be achieved by a commercial service provider operating without any contract or partnership agreement.</p> <p>As such, the Quality Partnership model of bus service provision was generally popular with passengers, as long as it included contractual obligations with penalties for failing to meet minimum standards.</p> <p>However, passengers generally feel there is a need for a regulator, authority, or some other body to whom bus operators are held accountable on passengers' behalf, in the form of penalties should performance not meet passengers' expectations.</p> <p>The idea of a socially-minded local transport authority and an operationally-experienced commercial operator working together to reach an agreement is appealing to passengers, again, if it is also underpinned contractually.</p>

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